



Daily Report

China

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General

Nonnuclear States Need 'Sincere' Assurance

OW0804172295 Beijing XINHUA in English 1704
GMT 8 Apr 95

["Commentary" by Yang Qi and Ban Wei: "What Security Assurances Non-Nuclear States Need?"]

[FBIS Transcribed Text] Geneva, April 8 (XINHUA)—Representatives from the five big nuclear powers, in a rarely-seen move in the history of nuclear disarmament, have coincidentally committed themselves at the first part of the 1995 session of the Conference on Disarmament to providing security assurances for non-nuclear states.

The representatives read statements newly issued by their governments on the security assurances on Thursday [5 April], demanding that the statements be circulated as official documents of the first part of the 1995 session, which ended Friday.

The move seemed not directly linked with the conference, as the main purpose of the gathering was to continue negotiation over a treaty on a complete prohibition and thorough destruction of nuclear weapons. But the move was taken at the right place and at a right time.

The security assurances for non-nuclear states is the precondition for the non-nuclear members of Nonproliferation Treaty (NPT) to agree on the extension of the treaty at a conference in New York in 10 days.

However, after examining closely the statements, one could easily notice that the contents of China's statement are quite different from those of the four others'.

In its statement, China undertakes not to be the first to use nuclear weapons at any time or under any circumstances and not to use or threaten to use nuclear weapons against non-nuclear-weapon states or nuclear-weapon-free zones at any time or under any circumstance.

China also undertakes to take action within the Security Council of the United Nations in order that the Council take appropriate measures to provide, in accordance with the Charter of the United Nations, necessary assistance to any non-nuclear-weapon state that comes under attack with nuclear weapons, and impose strict and effective sanctions on the attacking state.

The four other nuclear powers, the United States, Russia, France and Britain, however, refused to undertake to be the first to use nuclear weapons, though they made the commitments to acting within the Security Council when any non-nuclear-weapon state comes under attack with nuclear weapons.

At the same time, they attached conditions to the security assurance which they provide to the non-nuclear-weapon state.

The United States says in its statement that it will not use nuclear weapons against non-nuclear-weapon states parties to the NPT except in the case of an invasion on any other attack on the United States, its territories, its armed forces or other troops, its allies, on a state towards which it has a security commitment, carried out or sustained by such a non-nuclear-weapon state in association or alliance with a nuclear-weapon-state.

The conditions attached by Russia, France and Britain are almost the same as those by the United States.

To some extent, these conditions represent the continuation of the policy of nuclear blackmail adopted in the Cold War.

And these have caused resentment among those countries which have yet to sign on the NPT. They say that under the UN Charter and international law, security assurance should apply to all countries.

Obviously, what non-nuclear states need is a sincere, unconditional and universal nuclear security assurance.

Foreign Ministry Reassures India on Ties

HK0804053695 Hong Kong AFP in English 0458 GMT
8 Apr 95

[FBIS Transcribed Text] Beijing, April 8 (AFP)—China sought Saturday [8 April] to reassure India over Beijing's growing military ties with Pakistan and Burma, following expressions of deep concern in New Delhi. A Foreign Ministry spokesman said China had "taken note" of India's apprehension—voiced in an annual defence ministry report—over China's military modernisation as well its closer relations with Islamabad and Rangoon.

However, "in China's view there does not exist any threat from one side to the other," the spokesman said, pointing out that that the Indian report had also stressed the recent warming of Sino-Indian ties following groundbreaking talks on their disputed border area. "The development of (China's) relations with one country is not directed at any third country," he added.

The Indian report had said that New Delhi needed to beef up defence preparations in view of the growing militarism in the three neighbouring countries, which have common borders with India on the east, north and west.

While admitting that some "unresolved issues" remained between the two sides, the spokesman stressed that China's policy was to develop friendly relations with all neighbouring countries. "The modernisation of China's national defence is one of the four modernisations that China is endeavouring to realise and which it made public long ago," he said.

India had specifically mentioned China's continued nuclear testing, the sale of missile technology to Pakistan and Beijing's involvement in strategic infrastructural

work in Burma. India and China, which boast the largest standing armies in Asia, fought a brief border war in 1962.

Regional concerns over China's military modernisation were heightened last month when China announced it was boosting its military budget to 63 billion yuan (7.5 billion dollars)—compared to 52.04 billion yuan last year. Western experts estimate the actual figure for military spending could be three times as much, pointing to the Chinese army's profitable corporate empire.

U.S., DPRK To Resume Nuclear Talks

OW0704235595 Beijing XINHUA in English 2213 GMT 7 Apr 95

[FBIS Transcribed Text] Washington, April 7 (XINHUA)—The United States and the Democratic People's Republic of Korea (DPRK) have agreed to resume their talks on light-water reactor supplier issue in Berlin next Wednesday, a U.S. State Department spokeswoman announced on Friday.

"The third round of the U.S.-DPRK discussions on the light-water reactor project will resume in Berlin on April 12," spokeswoman Christine Shelly told a news conference here.

The third round of nuclear negotiations between the United States and the DPRK were suspended two days before its schedule on March 27 in Berlin.

U.S. Secretary of State Warren Christopher told reporters afterwards that the negotiations neither reached any agreement nor broke down.

U.S. officials said that the talks were suspended after the DPRK negotiators put forward a new proposal for breaking a deadlock over who should supply the DPRK two reactors.

Under a landmark accord signed last October, the DPRK agreed to freeze and finally dismantle its current nuclear programs in exchange for new nuclear technology and alternative energy supplies including two light-water reactors.

But the two states have been at odds over the supplier issue.

Washington has insisted that for political and economic reasons the two reactors should be of South Korean origin as it has promised to offer a large share of the project's cost estimated over 4 billion U.S. dollars.

However, the DPRK has repeatedly stated that it will not accept the South Korean reactors as they are unsafe technically.

Shelly refused to say whether the United States was discussing or proposing a compromise to resolve its disputes with the DPRK over the reactors.

She said that the United States would consult with its partners, South Korea and Japan, on the issue before American negotiators go to Berlin for talks.

The United States, South Korea and Japan created an international consortium in New York early last month in an attempt to provide the DPRK with the reactors.

But the DPRK has rejected the so-called "Korean Peninsular Energy Development Organization (KEDO)."

U.S. Owes Japan 'No Apology' for A-Bombs

OW0704235795 Beijing XINHUA in English 2311 GMT 7 Apr 95

[FBIS Transcribed Text] Washington, April 7 (XINHUA)—The United States owes Japan no apology for dropping atomic bombs on Hiroshima and Nagasaki during World War II, President Bill Clinton said on Friday.

Clinton made the remarks at a conference of U.S. newspapers editors being held in the midsouth U.S. City of Dallas, Texas.

When asked whether an apology was owed and whether then U.S. President Harry Truman had made right decision to drop atomic bombs to end the war, Clinton replied: "No, and based on the facts he had before him, yes."

Many Americans, especially those under age 30, know little about the U.S. dropping of the first atomic bombs on Hiroshima and Nagasaki during World War II, according to a recent U.S. public opinion poll.

The Gallup poll of 1,020 adults found that 35 percent of respondents did not know the first atomic bomb was dropped on the Japanese city of Hiroshima and 60 percent could not name the U.S. president who ordered the attack.

Clinton Not To Change Policy Toward Cuba

OW0704235695 Beijing XINHUA in English 2220 GMT 7 Apr 95

[FBIS Transcribed Text] Washington, April 7 (XINHUA)—U.S. President Bill Clinton acknowledged today that most countries disagree with U.S. policy toward Cuba but said he will not change it.

Clinton made the remarks at a speech to the American Society of Newspaper Editors in Dallas, Texas.

The president acknowledged that other countries have called for ending the U.S. trade embargo against Cuba.

"As to our policy, even though I recognize most countries disagree with it, I think being firm has been the proper policy and I do not believe we should change it, except within the confines of the Cuba Democracy Act," Clinton said.

"But the Cuba Democracy Act gives us a framework for future movement and also a firmness in our policy," he said, "I think we should stay with both."

Foreign Copyright Organizations Allowed To Open

OW1004085895 Beijing XINHUA in English 0831
GMT 10 Apr 95

[FBIS Transcribed Text] Beijing, April 10 (XINHUA)—China will allow foreign copyright organizations to open agencies in the country, it was announced here today.

The selection, examination and approval work will be done this year by the State Copyright Administration, according to a national meeting on copyright protection.

A meeting spokesman said that this will "better safeguard foreigners' copyrights and help China's copyright sector to develop".

He also mentioned that China will adopt measures in co-operation with the World Intellectual Property Rights Organization and other foreign copyright institutes.

So far, China has set up copyright protection relations with more than 100 countries, and a Sino-U.S. Intellectual property rights protection agreement was signed in February this year.

The country already has 17 overseas-related copyright agencies run by Chinese.

Meanwhile, Shen Ren'gan, deputy director of the State Copyright Administration, has urged local governments at all levels to carry out effective operation in terms of tightening copyright law enforcement.

He told the meeting that infringements upon video and audio tapes, laser discs, computer software, books and films are the key cases to be handled.

His administration is considering setting up a contract registering system for CDs, he revealed.

Last year China seized 2.2 million pirated laser discs and 1.58 million unauthorized books.

Related campaigns will be continued, he said, especially the fight against serious cases and cross-border crimes. And a special group will be formed to review the five-year-old Chinese Copyright Law.

"Serious piracy still exists, and in some places it is done by official organizations and shielded by local protectionism. Meanwhile, there is a lack of public awareness of copyright," the official added.

He suggested that copyright training classes be opened for local cadres with aid from commercial administrations and public security organs, as well as other government entities.

Jiang Receives Credentials from New Ambassadors

OW0804084895 Beijing XINHUA in English 0831
GMT 8 Apr 95

[FBIS Transcribed Text] Beijing, April 8 (XINHUA)—Chinese President Jiang Zemin today received the credentials from five new ambassadors to China in the Great Hall of the People here today.

The new ambassadors are Rugaba Silas from Rwanda, Moses Musonda from Zambia, Sato Yoshiyasu from Japan, Konrad Seitz from Germany and Uli Sigg from Switzerland.

The five ambassadors arrived in Beijing on March 10, March 19, March 29, March 30 and April 6 respectively.

Effect of Dollar's Plunge Studied

OW1004005695 Beijing XINHUA in English 2134
GMT 9 Apr 95

["News Analysis" by Ma Xiaolin: "Dollar's Plunge To Have Negative Effect on Gulf Economies"]

[FBIS Transcribed Text] Kuwait City, April 9 (XINHUA)—The continuing plunge of U.S. dollar is likely to put more pressure on the difficult situation which Gulf economies have already been facing, according to experts in the region.

Last Friday [7 April], the dollar continued its devaluation and hit a new record low against Japanese yen, with the exchange rate at one dollar for only 83.65 yen. Meanwhile, one dollar dropped to 1.374 German marks and 4.79 French francs.

The dollar's depreciation crossed the psychological barrier of 90 yen and 1.3860 marks for one dollar one month ago. The latest plunge cast a shadow over the economies of the six Gulf Cooperation Council (GCC) states, which have been suffering financial pressure for a long time due to huge spending and weak oil prices.

Analysts said that the GCC states, including Saudi Arabia, the United Arab Emirates (UAE), Kuwait, Oman, Qatar and Bahrain, are susceptible to negative effects caused by the dollar's devaluation because of three elements.

The first element is that their income mainly depends on the oil export while the oil prices are fixed by dollar.

The second is that their currencies are mainly linked with dollar.

And the third is that their key trade partners are not the United States, but Japan and the European Union (EU).

The GCC are currently producing a total of 13 million barrels of oil per day, and its crude export accounts for over 80 percent of its Gross National Product. The six

member states gained an oil revenue of 180 billion dollars in 1981 as the oil prices remained higher at the time.

Over the past years, however, the GCC's oil income dropped sharply due to the continuous fall of oil prices. Oil revenue of the GCC was 77 billion dollars in 1992 and further decreased to 74 billion in 1993.

When the dollar began its plunge last year, the GCC oil earnings were slashed to 70 billion in 1994.

A Gulf oil study said the current oil prices were equivalent to six dollars for one barrel in real terms in 1973 due to the deteriorating purchasing power of the greenback.

Kuwait is the only GCC member which linked its dinar to a number of currencies, but dollar still has a lion share in its foreign currency market. Other five members are much more relying on the greenback.

As one of the negative effects caused by the devaluation of dollar, the value of the GCC imports has been on the increase in the past two years.

Official Gulf statistics showed that dollar's weakness will lead to more losses in GCC's imports since Japan and the European Union are the top two traders with the GCC ahead of the United States.

Both the value of the GCC-Japan trade and that of the GCC-EU trade exceeded 20 billion dollars in 1994, while GCC-U.S. trade was worth only 10 billion. Imports by the six GCC members averaged some 5.5 billion dollars every month in the first quarter of 1995, with more than 80 percent coming from Japan and the EU.

Experts said that the increase of import cost due to weak dollar will further increase GCC's public spending and make the GCC face a even tougher financial problem. The six states have been unable to overcome the large deficit over the past years due to the drop of oil income and the increasing budget of defense and public services.

Though the six GCC members reduced their deficit from 38.5 billion dollars in 1991 to 11.5 billion in 1993, the deficit rose again in 1994. Reports said that Saudi Arabia's financial deficit was 15 billion dollars and that of Kuwait 5 billion, with Kuwait also having a foreign debt worth 5 billion.

Statistics revealed that the GCC's deficit in the services balance alone reached nearly 30 billion dollars last year.

A good sign appeared last week when the oil prices rose to 18 dollars per barrel, hitting its highest point in eight months. Every one dollar's increase in oil prices means some 240 million dollars a month and around 3 billion one year in extra oil revenues for the GCC, according to a Gulf bank source.

However, that price is still well off the target of 21 dollars set by the Organization of Petroleum Exporting

Countries (OPEC), and there are no further signs showing that the current price could be stable or going up.

Independent sources here said that dollar could not recover from its long-term weakness and the oil prices will likely remain fluctuate at a relatively low level. Under such circumstances, the sources said, the economic activities of the GCC may turn out to be sluggish this year.

United States & Canada

Clinton Supports High-Level U.S. Arms Sales

OW1004000795 Beijing XINHUA in English 2137
GMT 9 Apr 95

[FBIS Transcribed Text] Washington, April 9 (XINHUA)—U.S. President Bill Clinton has recently signed a new conventional arms transfer policy, formalizing his administration's support for continued high levels of U.S. arms sales abroad, a report said here.

With signing the classified policy, the Clinton administration made its commitment to help the U.S. defense industry maintain its predominance in international markets, according to the latest monthly Arms Control Today.

"The classified policy calls upon U.S. Embassy personnel and senior government officials to continue to help promote arms sales abroad, especially those of particular importance to U.S. foreign policy," the report said.

It also supports Defense Department participation in international trade shows and air shows. In 1994, this cost the U.S. Government 385,000 dollars to 575,000 dollars per air show.

The White House said the policy includes efforts to restrain arms transfers but also stresses the importance of arms sales to friends and allies.

Last April the United States agreed to sell 25 F-15 fighter aircraft to Israel for 2.6 billion dollars, and on February 18 the Clinton administration announced it would permit the sale of fighter jets and other sophisticated weapons to former Eastern bloc countries.

"Under the Clinton administration, support for high-tech military exports has continued, as has the U.S. position as the world's leading arms exporter," Arms Control Today said.

In 1994, U.S. arms transfer were over 12 billion dollars, significantly larger than the next nearest competitor, it noted.

Clinton Condemns Terrorist Attacks on Israelis

OW0904235595 Beijing XINHUA in English 2142
GMT 9 Apr 95

[FBIS Transcribed Text] Washington, April 9 (XINHUA)—U.S. President Bill Clinton Sunday [9 April]

condemned the suspected Islamic suicide bombing attacks against Israelis and vowed to continue efforts for a permanent peace in the Middle East.

Islamic suicide car bombers killed seven Israelis and wounded 45 earlier in the day in two attacks near Jewish settlements in PLO-ruled Gaza, reports reaching here said.

"Our thoughts and prayers are with the families and friends of the victims of these terrorist outrages," Clinton said in a statement released in Los Angeles.

"Once more, the enemies of peace have resorted to violence against innocent citizens of Israel," he noted. "But those responsible must not and shall not be allowed to deny a better future of hope and reconciliation to the region."

The U.S. President pledged that his administration "must and will continue to exert all possible efforts to ensure a just, comprehensive and lasting peace" for the region.

U.S.-Russia Nuclear Cooperation 'Must Continue'
OW1004004295 Beijing XINHUA in English 0010
GMT 10 Apr 95

[FBIS Transcribed Text] Washington, April 9 (XINHUA)—Despite Russia's proposed sale of nuclear reactor technology to Iran, U.S.-Russia nuclear cooperation must continue, U.S. Vice President Al Gore said Sunday [9 April].

"We certainly have a national interest in helping Russia dismantle its nuclear warheads," Gore said on NBC's "Meet The Press."

"Why do we want to cut off our nose to spite our face? We don't want to eliminate cooperation of that kind and we are not going to," he said.

Gore was responding to a question about a New York Times article Sunday which said the Clinton administration has warned Moscow it will not renew a 22-year-old nuclear cooperation agreement, due to expire at the end of May, if Russia goes ahead with its reactor deal with Iran.

Gore said he cannot confirm the report.

The article, quoting unidentified senior administration officials, also said the Iran deal would keep the U.S. from signing a new accord vastly increasing U.S.-Russian nuclear cooperation.

U.S. Defense Secretary William Perry, in a recent visit to Moscow, and Deputy Secretary of State Strobe Talbott, who is currently in Moscow, have pressed Russian leaders to forgo the Iran deal.

"We are deeply concerned about the potential sharing of reactor technology with Iran and we are in the midst of intensive negotiations on that point right now," Gore said.

Asked if there will be some change in the U.S. policy toward Russia if Russians go ahead with this deal, Gore said, "We've told them from the beginning that there are some things that will not be available to them unless we have the kind of developing relationship that we've asked for."

But he added that "making threats in this stage in a negotiating process is not the right way to go."

Gore also defended President Clinton's decision to visit Moscow on May 9 and 10, saying that the 50th anniversary of the end of World War Two in Europe is a "unique occasion."

"Celebrating that success is very much in our interests and in the interests of the world," Gore said.

Northeast Asia

Qiao Shi Previews Northeast Asian Trip

Urges North, South Korean Dialogue

SK0804083595 Seoul YONHAP in English 0822 GMT
8 Apr 95

[FBIS Transcribed Text] Beijing, April 8 (YONHAP)—Qiao Shi, chairman of the Standing Committee of the Chinese National People's Congress, urged on Saturday [8 April] South and North Korea to have direct dialogues between themselves to ease the tension on the Korean peninsula.

Having a press conference with South Korean correspondents here before visiting Japan and South Korea from Monday, Qiao said that South and North Korea should ease the tension caused by the issue of light-water reactors through direct dialogues.

Qiao made the remarks while answering the question of whether or not he has the intention to play an intermediary role for inter-Korean exchange as well as dialogue.

"Both South and North Korea should change their uncomfortable attitudes and create favorable conditions for resumption of the inter-Korean dialogue. I expect that the two sides will realize self-reliant peaceful unification through patience and dialogue," he said.

He said that he has had many exchanges with North Korean figures since long time ago, suggesting that he could play a role for improvement of the inter-Korean relations.

He is scheduled to visit South Korea from April 17 through 22.

Addresses ROK-PRC Issues

SK1004061695 Seoul CHOSON ILBO in Korean 9 Apr 95
p 3

[Interview with Qiao Shi, chairman of the Standing Committee of the Chinese National People's Congress,

by CHOSON ILBO correspondents on 8 April at the Great Hall of the People in Beijing]

[FBIS Translated Text] [CHOSON ILBO] It is expected your visit to the ROK will vitalize exchanges between the Chinese National People's Congress [NPC] and the ROK National Assembly. Do you have any plans to expand exchanges between the NPC and the National Assembly?

[Qiao Shi] The NPC has attached significance to exchanges with the ROK National Assembly since China and the ROK established diplomatic relations. A NPC delegation led by Vice Chairman Tian Jiyun has visited the ROK and I will soon visit the country. We hope the legislatures of the two countries will facilitate exchange in legislative and other areas. In particular, we want to learn from the ROK National Assembly's successes in legislation regarding the market economy.

[CHOSON ILBO] North-South dialogue has been deadlocked. At this time, do you, as a Chinese leader, intend to play an intermediary role in facilitating exchange between the ROK's ruling party and North Korea's Workers Party or North-South summit talks?

[Qiao] China's basic principle regarding the Korean peninsula is that peace and stability should be maintained there. North and South Korea have had many talks and contacts. They have channels of communication. They themselves hold the key to restoring dialogue and making progress in the dialogue. I hope they will make efforts to mend their uncomfortable relations from a broader point of view and create favorable conditions to resume bilateral talks. I have so far had many exchanges with North Korea. I am very interested in the ROK, as well. I expect North and South Korea will hold dialogue with patience.

[CHOSON ILBO] Your visit to the ROK will heighten the ROK people's interest in China. How do you think the Chinese situation will develop after Deng Xiaoping dies?

[Qiao] I do not want to say much about the situation after Comrade Deng Xiaoping dies. I hope Comrade Deng will enjoy a long and healthy life. Even though a human cannot violate the law of nature, I do not want to say much in view of the sentiments of our party and people. The Chinese economy has developed rapidly for 16 years since the third plenary session of the 11th CPC Central Committee held toward the end of 1978. The people's standard of living has improved, as well. It has also been proven that the people support the decisions of the third plenary session of the 11st CPC Central Committee. China will be stable and filled with hope as long as the lines and policies of the third plenary session are implemented.

[CHOSON ILBO] North Korea denounced the visit to the ROK by Chinese Premier Li Peng. It is expected it will make a similar reaction to your visit to the ROK. How do you assess the current relations between China and North Korea?

[Qiao] I have so far had many exchanges with North Korea. I know very well about North Korea and have a relatively good understanding of it. I cannot foresee how North Korea will react to my visit to the ROK. Because North Korea is a completely independent country, what it does is independent.

Discusses Sino-ROK Exchanges

OW0904062495 Beijing XINHUA in English 0602
GMT 9 Apr 95

[FBIS Transcribed Text] Beijing, April 9 (XINHUA)—Chinese top legislator Qiao Shi said that China's National People's Congress (NPC) hopes to maintain high-level exchanges of visits with the National Assembly of the Republic of Korea (ROK).

Qiao, chairman of the NPC Standing Committee, said prior to his tour of Japan and the ROK that such visits are helpful for promoting bilateral co-operation and exchanges in legislation and other fields.

The NPC chairman, who is scheduled to start his tour Monday, made the remarks here Saturday during an interview with Beijing-based Japanese and ROK reporters.

Responding to questions raised by ROK reporters, Qiao said that the NPC attaches great importance to its co-operation and exchanges with the ROK National Assembly, which was well demonstrated by the visit of the NPC delegation led by its Vice-Chairman Tian Jiyun shortly after the new congress was formed in 1993.

China is accelerating the building of its socialist market economy, and the target of the current National People's Congress is to set up corresponding legal framework concerning the market economy, he said.

China is willing to draw on the successful expertise in market economic legislation from the ROK through parliamentary exchanges, Qiao added.

Asked whether the NPC is considering legislation concerning the protection of the lawful rights of ROK investors in China, Qiao said that China has always stressed the protection of the lawful rights and interests of all foreign investors in China, and the NPC as well as its Standing Committee have promulgated various laws in this regard, including those on Sino-foreign joint ventures, foreign-funded enterprises, Sino-foreign co-operative enterprises, foreign economic contracts and taxation concerning foreign investment.

He said that the State Council and local people's congresses have also worked out a large number of administrative regulations and local rules to protect foreign investment.

The conscientious implementation of such laws and rules will provide sufficient guarantee for the lawful interests and rights of foreign investors, including those from the ROK.

Urges Japan To Solve Issues

OW0804090795 Tokyo KYODO in English 0841 GMT
8 Apr 95

[FBIS Transcribed Text] Beijing, April 8 KYODO—The leader of China's parliament urged Japan on Saturday [8 April] to deal sincerely with issues left unresolved since the Sino-Japanese war and settle them adequately.

Qiao Shi, chairman of the National People's Congress, made the appeal in a meeting with Japanese reporters ahead of his trip to Japan.

Qiao is scheduled to arrive in Tokyo on Monday for an eight-day visit, his first trip to Tokyo since 1984.

He declined to elaborate on the unresolved issues but apparently was referring to such problems as Chinese workers forcibly brought to Japan to engage in hard labor and Chinese women forced to provide sex to Japanese servicemen during World War II.

Qiao said Japan is still responsible for certain problems from which some Chinese people continue to suffer mentally and physically although Beijing has renounced the right to seek World War II reparations from Japan under the 1972 joint statement on the normalization of bilateral relations.

He expressed hope that these problems will be solved promptly and appropriately.

Referring to the present situation of bilateral relations, Qiao said Japan is an important neighbor of China and generally speaking, both countries now maintain good relations.

Apparently referring to a visit to Japan last year by Hsu Li-te, vice chairman of Taiwan's National Assembly, Qiao said both China and Japan should exert efforts to maintain favorable relations.

He said he hopes both countries will strengthen their cooperative relations through exchanges of high-level officials.

Discusses Sino-Japanese Issues

OW0904060495 Beijing XINHUA in English 0553
GMT 9 Apr 95

[FBIS Transcribed Text] Beijing, April 9 (XINHUA)—Qiao Shi, chairman of China's National People's Congress (NPC) Standing Committee, said that China is ready to make joint efforts with Japan in seeking new ways to expand bilateral co-operation, and to make a new start this year in Sino-Japanese relations.

Qiao, who is scheduled to visit Japan and the Republic of Korea starting Monday, was interviewed on separate occasions by resident journalists from the two countries on Saturday.

Speaking of his upcoming visit to Japan, Qiao said that to maintain the exchange of visits between leaders of the

two countries is an important way to promote the long-term and stable development of bilateral relations.

He added that it was for this purpose that he would pay a visit to Japan at the invitation of leaders of both the House of Councillors and the House of Representatives of Japan.

He expressed the hope that the visit would help increase mutual understanding between the two sides, and promote the healthy and stable development of bilateral ties.

Generally speaking, Qiao said, Sino-Japanese relations are good at present.

Last year, high-level visits and contacts between the two countries were maintained, bilateral co-operation expanded and personnel exchanges increased, Qiao said.

However, he noted, some negative factors occurred in bilateral relations.

China has always maintained that the two nations should treasure their hard-earned friendship, stick to the principles enshrined in the Sino-Japanese joint declaration and the treaty of peace and friendship, and properly settle existing and possible problems so as to activate all positive forces and ensure the healthy and smooth development of relations, Qiao said.

He added that 1995 marks the 50th anniversary of the victories of the world anti-fascist war and the Chinese people's anti-Japanese war, so this year is of importance to both China and Japan, and is a link between the past and the future in bilateral ties.

"We are ready to take an attitude of looking forward to the future and, on the basis of drawing lessons from history, we are ready to make joint efforts with Japan in seeking new ways for expanding bilateral co-operation of mutual benefit so as to make a new start this year in the development of Sino-Japanese relations," Qiao noted.

NPC Chairman Qiao Shi Departs for Japan

OW1004024395 Beijing XINHUA in English 0220
GMT 10 Apr 95

[FBIS Transcribed Text] Beijing, April 10 (XINHUA)—Qiao Shi, chairman of the Standing Committee of the Chinese National People's Congress (NPC), and his wife left here this morning by a special plane for Tokyo, starting an official goodwill visit to Japan and then to the Republic of Korea (ROK).

Qiao went to visit the two countries as guest of Speaker of the House of Representatives Takako Doi and President of the House of Councillors Bunbei Hara of the Japanese Diet, and Speaker of the ROK National Assembly Hwang Nak-zu.

Among those bidding farewell to Qiao and his party at the Great Hall of the People this morning were Li Ruihuan, member of the Standing Committee of the

Political Bureau of the Central Committee of the Chinese Communist Party and chairman of the National Committee of the Chinese People's Political Consultative Conference, Vice Chairman Wang Hanbin, Wang Bingqian and Wang Guangying of the NPC Standing Committee, and Vice Foreign Minister Tian Zengpei.

Japanese Ambassador to China Yoshiyasu Sato and ROK Ambassador to China Hwang Pyong-tae were also present on the occasion.

Qiao's entourage, including Lei Jieqiong, vice-chairman of the NPC Standing Committee and chairman of the Central Committee of the China Association for Promoting Democracy, Cao Zhi, secretary general of the NPC Standing Committee, left by the same plane.

Arrives in Tokyo

OW1004060495 Beijing XINHUA in English 0556 GMT 10 Apr 95

[FBIS Transcribed Text] Tokyo, April 10 (XINHUA)—Qiao Shi, Chairman of the National People's Congress (NPC) Standing Committee, arrived here today, beginning his 7-day official visit to Japan.

Qiao was invited by Speaker of the House of Representatives Takako Doi and President of the House of Councillors Bunbei Hara of the Japanese Diet.

Accompanying Qiao during his visit are his wife Yu Wen, Vice-Chairman of the NPC Standing Committee Lei Jieqiong, Secretary General of the NPC Standing Committee Cao Zhi, Vice-Foreign Minister Tang Jiaxuan, and some other senior officials.

International Finance Program Established

HK0704115695 Beijing CHINA DAILY in English 7 Apr 95 p 5

[By Ren Kan: "Japanese Establish Finance Programme"]

[FBIS Transcribed Text] Fuji Bank of Japan and the China Institute of Finance yesterday signed an agreement to establish an educational programme on international finance.

Under the agreement, Fuji Bank is putting up \$500,000 for a special fund for the programme.

The programme will be called Fuji Bank International Finance and Economy Lecture.

The money will be deposited in Citic Industrial Bank. Interest from the endowment fund will pay for the programme's cost.

The programme will start operation on April 17. It is expected to be held once or twice annually at the institute.

A French financial expert and two Fuji bank officials will be invited to lecture about the current situation and future of international finance to the institute's teachers and senior students.

The initial co-operation term for the programme is five years. It can be extended if both partners agree.

Pan Shuojian, institute president, said the programme will help the institute foster more talented people who are suited to international finance.

Demand for qualified financial personnel has soared with the country's financial industry opening wider to the outside world.

China hopes more overseas financial institutions will offer help to China's financial education, said Lu Guanghui, director of the education department of the People's Bank of China.

In fact, some overseas financial institutions have initiated steps to co-operate with the China Institute of Finance, one of the major cradles for bankers.

A Japanese bank and two insurance companies from Britain and the United States have signed agreements with the institute to co-operate in scholarships, teachers training, construction of a reference room and an experiment room.

The institute also is negotiating with some foreign banks and insurance companies on more co-operation.

Southeast Asia & Pacific

APEC Trade Talks Open in Singapore

OW0904151795 Beijing XINHUA in English 1508 GMT 9 Apr 95

[FBIS Transcribed Text] Singapore, April 9 (XINHUA)—The Asia-Pacific Economic cooperation (APEC) Forum launched here today [9 April] a series of informal talks on freer trade in the Pacific Rim ahead of a senior officials' meeting this week.

"This is meant to be a brainstorming meeting as part of preparations for (the APEC leaders' informal meeting in) Osaka," an APEC official said.

Informal talks of the APEC Subcommittee on Customs Procedures and the Investment Experts Group got underway in a downtown hotel today.

The Japan-led subcommittee and the experts group chaired by the United States come under the auspices of the APEC Committee on Trade and Investment (CTI).

The CTI was set up in 1993 to liberalize and expand trade for a more open environment for investment among APEC member economies.

An APEC spokesman said that the two-day senior officials' meeting, which is to begin on Tuesday, would focus

on how to achieve the freer trade goals outlined in the Bogor Declaration over the medium and long term.

The APEC has 18 members, namely, the United States, Canada, Australia, Brunei, Indonesia, Japan, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand, China, Hong Kong, Chinese Taipei, Mexico, Papua New Guinea and Chile.

ASEAN Supports Beijing's GATT Reentry

OW1004100095 Beijing XINHUA in English 0907 GMT 10 Apr 95

[FBIS Transcribed Text] Beijing, April 10 (XINHUA)—The Association of Southeast Asian Nations [ASEAN] will "stand ready to render their support to China's reentry" to GATT and the World Trade Organization, a senior Indonesian official said here today.

Indonesia together with the other ASEAN countries will work closely with China to facilitate the liberalization of trade and investment supported by development cooperation, Hartarto, Coordinating Minister for Industry and Trade of Indonesia, said at the 1995 China Summit today.

The minister believed that the rapid economic growth in China opens new opportunities for foreign investment and promotes external trade.

"As economic development has transformed the economic potentials of China into actual economic growth, demand for consumer goods and other products from the huge number of Chinese population will rise significantly," Hartarto said.

"We must exert our concerted efforts to be prepared in elevating the present stage of our economic cooperation into a more progressive one," he said.

Hartarto pointed out that the ASEAN-China relations have been growing stronger during the past decade, with the cooperative structures more diversified.

While the total value of ASEAN investment in China increased in the past years, ASEAN investors are in a favorable position in developing a fruitful business cooperation with their Chinese counterparts as China continues to reform and liberalize its socialist market economy, he said.

ASEAN, Indonesia and China should improve their dialogues and expand cooperation in the fields of technology, industry, banking networks and the likes, the minister said.

Mekong Council To Invite China, Burma to Meeting

OW0804052395 Beijing XINHUA in English 0407 GMT 8 Apr 95

[FBIS Transcribed Text] Bangkok, April 8 (XINHUA)—The Mekong Council has agreed to invite China and

Myanmar [Burma] to its first formal meeting in Phnom Penh in order to draw their cooperation for the development of the Mekong River.

The newly-formed Mekong Council, composed of Cambodia, Laos, Thailand and Vietnam, will meet in Cambodia in July, according to a report from Chiang Rai, northernmost Thailand.

The two upstream nations will also be invited to attend meetings of the Joint Committee on the Mekong Basin Development, which is scheduled to meet in Vietnam in June.

The four downstream Mekong riparian countries on Wednesday signed an agreement on cooperation for the sustainable development of the Mekong River basin.

Under the agreement, the Mekong Council and a joint committee were set up to coordinate cooperation on matters relating to the development of the Mekong Basin, especially on water diversion and hydropower projects.

The joint committee Friday in Chiang Rai discussed a basin development plan, under which 78 projects are listed, 58 are basin-wide and the rest state-wide.

The plan will serve as a base program for the newly-formed Mekong Council and will be further discussed at the forthcoming council meeting in Phnom Penh.

At the meeting Friday, Laos proposed 48 national projects, five of which are related to hydropower plants and irrigation.

Cambodia proposed two hydropower projects, and Thailand proposed a pre-feasibility study on a hydropower project which will be constructed on the Mekong mainstream in Ubol Ratchathani province under the basin-wide category.

Yunnan Company Donates Power Substation to Burma

OW1004084095 Beijing XINHUA in English 0635 GMT 10 Apr 95

[FBIS Transcribed Text] Yangon, April 10 (XINHUA)—A power sub-station for University of Dagon in Myanmar [Burma], donated by Yunnan Machinery and Equipment Import/Export Corporation of China (YMEC), was inaugurated here this morning.

Myanmar Electric Power Enterprise (MEPE) installed the sub-station, valuing at 700,000 US dollars.

Myanmar Deputy Minister for Energy U Tin Tun, Chinese Counselor for Economy and Commerce Chen Shijie and YMEC General Manager Lin Zaiyou attended the ceremony.

The YMEC general manager said at the ceremony that 15 contracts for contracting middle and small-sized hydropower stations between YMEC and MEPE were

signed in the past six years, and eight hydropower stations have been completed and the others are under construction.

Contracts Signed Between Beijing, Rangoon

OW1004084195 Beijing XINHUA in English 0744 GMT 10 Apr 95

[FBIS Transcribed Text] Yangon, April 10 (XINHUA)—Some commercial contracts were signed here today between China National Complete Plant Import and Export Yunnan Corporation and Myanmar [Burma] companies concerned.

Under these contracts, the Chinese corporation will provide a credit of some 40 million US dollars to the Myanmar Ministry of Rail Transportation.

Under the credit, the Myanmar Railways will purchase 35 million US dollars worth railway equipment and the Myanmar road transport will purchase 5 million US dollars worth vehicles.

Myanmar Minister for Rail Transportation U Win Sein, Chinese Ambassador to Myanmar Chen Baoliu attended the signing ceremony.

Negotiations Stressed in South China Sea Dispute

HK0804055095 Hong Kong AFP in English 0533 GMT 8 Apr 95

[FBIS Transcribed Text] Beijing, April 8 (AFP)—China will settle border disputes in the South China Sea "through negotiations" a Foreign Ministry spokesman said Saturday [8 April], responding to a possible clash of interests with Indonesia in the area. "The issue of delimitation of sea water in the South China Sea area will be settled through bilateral consultations and negotiations," the spokesman said.

Indonesian diplomats said Friday that a note had been sent to Beijing, requesting clarification of China's apparent interest in a gas-rich zone near the Indonesian archipelago of Natuna. China is one of six nations which claim all or part of the Spratly islands in the South China Sea, and its interpretation of that claim includes part of the large maritime zone of Natuna, between Borneo and the Malaysian peninsula.

The Indonesian embassy in Beijing said it was unaware of any dispute concerning the Natuna zone. US oil giant Exxon signed a contract in November with the Indonesian state firm Pertamina to exploit a natural gas field 250 kilometers (155 miles) northeast of Grand Natuna, in a zone apparently claimed by China. However, China has so far lodged no official protest over the deal and on Thursday signed two oil exploration agreements of its own with Exxon in Beijing.

Nepali Finance Minister Departs for Beijing

OW1004095395 Beijing XINHUA in English 0926 GMT 10 Apr 95

[FBIS Transcribed Text] Kathmandu, April 10 (XINHUA)—Nepali Finance Minister Bharat Mohan Adhikari

left here this afternoon for China to participate in the 7th session of the Nepal-China Inter-Governmental Economic and Trade Committee (IGETC) to be held from April 12 to 14 in Beijing.

Talking to the press before departure, the finance minister said that the 7th session of IGETC would review progress made and tap new areas of cooperation between the two countries.

Concrete proposals will be put forward on how to establish joint ventures during the 7th session of IGETC, said the Finance Minister, who added that the efforts for modernization in China would naturally have impact on Nepal's economy since the two countries are friendly neighbors.

He expressed the belief that his visit would be successful and fruitful.

The Nepal-China IGETC was established in 1983 with a view to promoting trade and expanding economic cooperation between the two countries.

Near East & South Asia

Kuwaiti Prime Minister Visits China, Thailand

Meets NPC Chairman

OW0704131695 Beijing XINHUA in English 1250 GMT 7 Apr 95

[FBIS Transcribed Text] Beijing, April 7 (XINHUA)—Qiao Shi, chairman of the Chinese National People's Congress (NPC) Standing Committee, met with visiting Kuwaiti Crown Prince and Prime Minister Shaykh Sa'd al-'Abdallah al-Salim al-Sabah here this afternoon.

Qiao said that China attaches importance to its friendly relations with Kuwait and the development of such relations will see promising prospects.

The Chinese people follow closely the cause of their Kuwaiti counterparts and hope that the peace and stability in the Gulf region will be restored and consolidated in line with the Charter of the United Nations and relevant resolutions passed by the UN Security Council, Qiao told the Crown Prince.

Briefing Qiao on Kuwait's reconstruction after the Gulf War, Sa'd said his country welcomes China to get more involved in its economic construction.

Terming his talks with Chinese Premier Li Peng yesterday and the talks between the relevant departments of the two countries as "fruitful", Sa'd expressed his satisfaction over the outcome of his current China tour.

The NPC chairman said he believed that the frequent exchanges of visits between the two parliaments would contribute to development of the two countries' ties.

The two leaders also exchanged views on the situation in the Middle East. Qiao expressed his appreciation to the

progress made in the region's peace process and his hope that the parties concerned would make continuous efforts to find an all-round, fair and just solution to the Middle East issues.

During the meeting, Sa'd invited Qiao to visit Kuwait and the latter said he hopes to have a chance to visit the "friendly country".

Meets Jiang Zemin

OW0704140095 Beijing XINHUA in English 1311
GMT 7 Apr 95

[FBIS Transcribed Text] Beijing, April 7 (XINHUA)—Chinese President Jiang Zemin and Kuwaiti Crown Prince and Prime Minister Shaykh Sa'd al-'Abdallah al-Salim al-Sabah met here today and pledged further development of Sino-Kuwaiti friendly relations and co-operation.

Jiang extended a warm welcome to the prime minister, who is in China for the first time.

Jiang said that China and Kuwait enjoy "deep friendship and effective co-operation" despite the vast distance between them and the differences in their national conditions.

Since the two countries forged diplomatic ties over 20 years ago, bilateral co-operation has been expanding, and the two countries have given support to each other in international affairs, Jiang said.

Jiang told the prime minister that China treasures Sino-Kuwaiti friendship and is willing to further develop the existing relations on the basis of mutual respect, equality and mutual benefit.

He expressed the belief that the current visit of Shaykh Sa'd would increase mutual understanding and further advance bilateral relations.

Echoing Jiang's comment on bilateral ties, Shaykh Sa'd said that his visit was aimed at further strengthening Kuwaiti-Chinese relations and opening wider the doors to bilateral co-operation of mutual benefit.

Speaking of the situation in the Gulf region, Jiang said China firmly supports Kuwait's independence, sovereignty and territorial integrity.

Jiang expressed admiration for Kuwait's progress in post-war reconstruction.

Jiang added that China is concerned about the developments in the Gulf region. China holds that the relevant resolutions of the UN Security Council should be earnestly implemented and the problems left over by the Gulf War should be resolved as soon as possible so that peace and stability can be realized in that region, he said.

During the meeting, Shaykh Sa'd conveyed the regards of Kuwait Amir Shaykh Jabir to Jiang. Shaykh Sa'd, on behalf of the Kuwaiti head of state, invited Jiang to visit

Kuwait. Jiang thanked the Kuwaiti side for the invitation and asked Shaykh Sa'd to send his regards to the Kuwait amir.

Present at the meeting were Chairman of the All-China Federation of Industry and Commerce Jing Shuping, Chairman of the Chinese Government Reception Committee Shi Dazhen and the senior officials accompanying the Kuwaiti prime minister.

Hosts Banquet in Beijing

OW0704135895 Beijing XINHUA in English 1336
GMT 7 Apr 95

[FBIS Transcribed Text] Beijing, April 7 (XINHUA)—Visiting Kuwaiti Crown Prince and Prime Minister Shaykh Sa'd al-'Abdallah al-Salim al-Sabah hosted a return banquet here this evening.

Chinese Vice-Premier Li Lanqing was among those present at the banquet.

Yesterday Chinese Premier Li Peng hosted a banquet here in honor of Sa'd and his party.

Sa'd expressed his satisfaction over the outcome of his current China tour during his meeting here today with Qiao Shi, chairman of the Chinese National People's Congress Standing Committee.

Kuwait To Aid China in Market

HK0704115595 Beijing CHINA DAILY in English
7 Apr 95 p 5

[By Xu Yang and Gao Bianhua: "Kuwait, China Co-Operate in Trade"]

[FBIS Transcribed Text] Kuwait will help China enter the Persian Gulf market, and it will provide \$23.1 million worth of loans for airport construction.

Kuwait can be a bridge between China and the Arabic world, pledged visiting Kuwaiti Minister of Petroleum [as published] 'Abd-al-Muhsin Mid'aj al'Mid'aj while meeting with President Wang Tao of the China National Petroleum Corporation and Vice President Li Yizhong of Sinopec yesterday in Beijing.

But such co-operation must be based on the principle of equality and mutual benefit, both sides expressed.

Wang said China will increase oil imports in the next two years under pressure from its fast-growing economy.

China now turns out 2.9 million barrels of petroleum every day.

Wang said that China will begin the third round of oil import bidding next month.

Kuwait signed an agreement with China yesterday to provide the loans for construction of Xuedian Airport in Henan Province.

The agreement was signed in Beijing between Liu Shan-zai, Vice Minister of Chinese Foreign Trade and Economic Cooperation (Moftec) and the visiting Director-General of the Kuwait Fund for Arab Economic Development, Bader Al-Humaidhi [name as published].

Before the signing ceremony, Liu talked with Kuwaiti Trade and Industry Minister Hilal Mishari al-Mutayri about bilateral trade and economic co-operation.

Last year, Sino-Kuwaiti trade grew by 130 per cent to hit more than \$224 million.

Liu said that the figure can expand further since potential exists for two-way trade.

He added that Kuwait's oil and chemical fertilizer are urgently needed for China's economic development. Chinese machinery and electronic products, textiles and light industry products are well accepted in the Kuwaiti market.

He told Mishari that a comprehensive exhibition of Chinese export products is expected to open in Kuwait in the second half of this year. Another exhibition of Chinese machinery and electronic products is being considered for this year or next.

Mishari said that bilateral trade and economic co-operation are expected to further develop, since Kuwait and China have signed agreements on trade, economic and technological co-operation and investment protection as well as an agreement for avoiding double taxation.

Kuwait already has invested in a fertilizer factory, a triangle venture between China, Kuwait and Tunisia in Qinhuangdao of Hebei Province.

With \$50 million of investment, the factory has reached an annual output capacity of 400,000 tons of fertilizer.

A senior official with General Investment Authority (GIA) of Kuwait said that GIA will soon send a delegation to China to study the feasibility of investment opportunities in the country.

As for bilateral co-operation on labour service and engineering contracts, Mishari said that the "Kuwaiti government will provide support to help Chinese companies win the bidding for construction of oil and public facilities in Kuwait."

Next year, Qilu Petrochemical Company in Shandong Province will start a pilot project of processing 200,000 tons of Kuwait's highly sulphurous oil.

Discusses Cooperation

OW0804092395 Beijing XINHUA in English 0837
GMT 8 Apr 95

[FBIS Transcribed Text] Beijing, April 8 (XINHUA)—Visiting Kuwaiti Crown Prince and Prime Minister Shaykh Sa'd al-'Abdallah al-Salim al-Sabah said here

today, he hoped that cooperations between Kuwait and China in various fields can be further strengthened.

Before winding up his visit here and leaving for China's largest economic hub Shanghai this morning, he gave a press conference here and made the above statement, adding that the two countries can cooperate in many projects including in some oil projects.

On his China tour, he said, his visit here has left him a "good impression". He noted that Kuwait-China relations have seen continued development in the past years and cooperations between the two countries have been "fruitful".

He pointed out that the Kuwaiti side hopes for and supports its cooperations with China with great enthusiasm and sincere aspiration.

Touching upon his meetings and talks with Chinese President Jiang Z'emin, Chairman of the Standing Committee of the National People's Congress Qiao Shi and Premier Li Peng, Sa'd said that the two sides discussed issues of common concern including issues at present, in the future and in various fields, and exchanged opinions clearly and frankly.

He also expressed his hope for more exchanges of visits between leaders of the two countries which he thought will be "very beneficial" for both sides to exchange opinions and conduct consultations, thus facilitating coordinations between them on issues of common concern.

He continued that while meeting with the Chinese leaders, he expressed his hope that China will show concern with and get involved in projects of construction and development in Kuwait.

Sa'd also answered questions by some correspondents.

Departs Beijing for Shanghai

OW0804161295 Beijing XINHUA in English 1508
GMT 8 Apr 95

[FBIS Transcribed Text] Shanghai, April 8 (XINHUA)—Mayor of Shanghai Xu Kuangdi met with Kuwaiti Crown Prince and Prime Minister Shaykh Sa'd al-'Abdallah al-Salim al-Sabah here today.

During the meeting the Kuwaiti Prime Minister said that he was deeply impressed by this, his first visit to Shanghai, and that he believed the city would surely score more achievements in the future.

Shaykh Sa'd flew here from Beijing this afternoon in the company of Shi Dazhen, chairman of the Chinese Government Reception Committee and minister of power industry.

In the afternoon the Kuwaiti Prime Minister visited a processing zone in the Pudong New Area and the Yangpu Bridge.

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Gives News Conference

LD0804232195 Kuwait Radio Kuwait in Arabic 1714
GMT 8 Apr 95

[News conference by Kuwaiti Prime Minister Shaykh Sa'd al-Abdullah al-Salim al-Sabah with unidentified correspondents in Beijing on 8 April—recorded; correspondents' questions in Chinese with superimposed translation into Arabic]

[FBIS Translated Excerpt] In the name of God, the merciful, the compassionate. God is always our guide. Ladies and gentlemen: I am happy with our meeting here this morning before leaving Beijing for Shanghai. During this fruitful visit, I met the head of state, the speaker of the house of deputies, and the prime minister. These meetings were an opportunity to examine a number of topics and issues of mutual interest to both countries now and in the future. [passage omitted on reasons for the visit in response to China's invitation and in appreciation for China's clear and frank stands toward Kuwait's just cause; praises good Chinese relations and Chinese stance during the Iraqi occupation]

I can confirm to you here that our talks with our friends in the friendly People's Republic of China were an opportunity to carry out a frank exchange of views and to assert our desire for closer cooperation in all fields. I have found the leadership of this friendly country willing to boost the cooperation with Kuwait in all fields.

We also talked with frankness about the UN Security Council resolutions. I have found everyone here quite interested in this subject, and I am happy to have found our viewpoints and the viewpoints of the Chinese officials quite identical on the need for Iraq to obey the UN Security resolutions. I have also found the leadership of this country committed to freeing Kuwaiti prisoners from Iraq. All of us very much appreciate this stance.

I have informed the Chinese side of Kuwait's sincere willingness to cooperate with our friends in this friendly country in all fields and spheres as well as our desire to increase the number of visits between Kuwaiti and Chinese officials because we believe in the fruitfulness of these visits. We see them as an opportunity for both sides to exchange viewpoints, and to consult and coordinate on all matters of interest to our friendly countries. They will also be an opportunity to exchange viewpoints on international issues in order to reach a common view and a joint understanding on them.

However, it will not be a secret if I inform you that I have asked the Chinese leadership to be interested in the big development programs in Kuwait. They have agreed to my request and promised to send specialized companies to study the feasibility of such projects.

You have heard about the security agreement that was signed last week. This agreement was signed out of our belief in Sino-Kuwaiti friendship and in order to epitomize cooperation between Kuwait and the People's Republic of China.

The Kuwaiti defense minister was here; he examined this matter comprehensively before the agreement between the two sides was signed. It is my belief that the signing of such an agreement will be a significant development for Kuwait's security if Kuwait is undermined by future aggression from any state.

We have seen the reality. We support this cooperation in the public and private sectors. We have with us on this visit brother Abd al-Razzaq al-Khalid, deputy chairman of the Chamber of Commerce and Industry, and brother Faysal Abd al-Wahab, who seek cooperation in the private sector in order to develop it and to open Kuwaiti markets to Chinese companies and establishments. This is to translate words into tangible action.

I believe it is my duty at this meeting to express my thanks and appreciation to the Chinese leaders and to the friendly people of China for the stances they have taken during the past few years. I wanted to make this brief statement at the beginning of this meeting. I will be pleased to hear your questions and to answer them. Thank you. Long live Kuwaiti-Chinese friendship.

[Correspondent] Your Highness, will you talk about the projects in which Kuwait and China could cooperate, and what are the deepest impressions you have formed during your current visit to the People's Republic of China?

[Sa'd] I would like to answer the second part of the question before answering the first part. I have formed a good impression, which highlighted for me the seriousness of the Chinese leaders and their concern about the need to implement all of the UN Security Council resolutions concerning the cruel Iraqi aggression against my country.

Regarding other impressions, the members of the delegation and I have sensed the desire of the officials of this friendly country to cooperate in all fields, whether in Kuwait or in the People's Republic of China. I would like to express my thanks and that of the members of the delegation to the Chinese leaders and the friendly people of China for the warm hospitality and welcome, and for reaching agreement on the issues we have discussed at friendly meetings which highlighted Kuwaiti and Chinese intents. [passage omitted on good impressions to be conveyed to officials in Kuwait]

Regarding the type and number of projects: This is not the time to specify the number and type of projects. What I can say as the prime minister of Kuwait is that we will welcome Chinese companies to invest and participate with us in the execution of these big projects, whether in oil or in government work and establishments, as well as the special cover [as heard].

I would like to tell the person who posed the question that there are big and numerous projects in Kuwait awaiting the arrival of Chinese companies. I would like

to highlight an important point: On the basis of cooperation between Kuwait and the People's Republic of China, the Kuwaiti Development Fund has invested and participated in the financing of many projects, particularly in development projects, in this friendly country.

Therefore, I would like to urge Chinese companies and establishments, as well as Kuwaiti establishments, now and in the future to play a constructive and positive role in the execution of public projects in this friendly country.

[Correspondent] Your Highness the crown prince, I represent China Radio International. There have been positive developments in the Middle East over the past few years. How do you assess these developments? How would the State of Kuwait contribute toward promoting the peace process in the Middle East, and is there currently a direct contact between the State of Kuwait and Israel? Thank you.

[Sa'd] Kuwaiti-Palestinian cooperation began years and years ago. Kuwaiti policy has always aimed at supporting the Palestinian people to regain their land, and for them to achieve the honorable living to which they aspired. We stood by the Palestinian people and helped them in every way we could, out of our sense of responsibility to our pan-Arab and national duty. [passage omitted on Kuwaiti support for Palestinians]

I do not wish to recall the near past and the Iraqi aggression against the State of Kuwait. However, I would like to say that we have stood by the Palestinian people, and I hope that this statement is clear and that this message reaches some people.

We have been standing by and we will stand by the Palestinian people in all arenas to achieve the implementation of UN Security Council Resolutions 242 and 338. Regardless of the stances of some Palestinian leaders, may God forgive them, we have and we will stand by the Palestinian people to attain their full legitimate rights.

As for your second question, I do not know where you formed the perception that there are relations between Kuwait and Israel. You can take it from me as the head of the Kuwaiti Government that we have no direct or indirect relations with the Israel authorities.

[Correspondent] I am a reporter for BEIJING MAGAZINE. I had the honor of visiting friendly Kuwait last May for media coverage [not further identified]. We inspected the Kuwait-Iraq border region, and we found it calm. Since then, we have heard that there has been tension in the border region. Could your highness explain the current situation in the Kuwait-Iraq border region.

[Sa'd] The situation in the Kuwait-Iraq border region is somewhat more secure. All of us in Kuwait are well aware of the intentions of the ruling regime in Baghdad, intentions which highlight its expansionist ambitions and hostile intentions. We recall that last 6 October the

head of the Iraqi regime massed a large military force on the Kuwait-Iraq border. Naturally, we interpreted the deployment as the start of a military operation. However, [words indistinct] with friends and brothers, and the UN Security Council met and passed Resolution 949. International unanimity forced the head of the Iraqi regime to pull back his forces to the positions they had held prior to October last year.

As far as I am concerned, as an official I would not discount that one day the same thing will happen again [an Iraqi concentration of troops along the borders with Kuwait.] However, I have trust in God and in my Kuwaiti brethren and their readiness to die in defense of our dear country.

Nonetheless, this threat should motivate us all to build our country in all spheres and make us more conscious, vigilant, and ready for all eventualities.

[Correspondent] I am the correspondent from the Japanese News Agency. Has the Chinese leadership asserted at the talks its position on the UN resolutions imposing sanctions on Iraq? If so, has the Chinese leadership dwelt upon the possibility of lifting the sanctions against Iraq? Either way, can you tell us why?

[Sa'd] As I have already asserted, the Sino-Kuwaiti talks were excellent. The Chinese leadership told us there is no change in the Chinese position. As far as the stipulated Fund of Reparation is concerned, China was among the countries that supported the resolution that set it up. I left the talk with an excellent impression and a feeling that the Chinese leadership will continue to implement the UN Security Council resolutions.

However, I do not want to go into detail about this matter. I can say here that I was quite satisfied with what I had heard from the Chinese leadership. [passage omitted praising the Chinese leadership]

Departs Shanghai for Bangkok

LD1004092395 Kuwait KUNA in Arabic 0805 GMT
10 Apr 95

[FBIS Translated Excerpt] Bangkok, 10 Apr (KUNA)—Shaykh Sa'd al-'Abdallah al-Salim al-Sabah, Kuwaiti heir apparent and prime minister, and the delegation accompanying him arrived in Thailand this afternoon on a three-day official visit that constitutes the second leg of his Asian tour.

Shaykh Sa'd left Shanghai this morning, ending a five-day official visit at the invitation of Chinese Premier Li Peng. [passage omitted]

Shanghai Mayor Meets Iranian Foreign Minister

OW1004105395 Shanghai People's Radio Network in Mandarin 2300 GMT 28 Mar 95

[From the "990 Morning News" program]

[FBIS Translated Text] Mayor Xu Kuangdi met with Iranian Foreign Minister 'Ali Akbar Velayati and his party at the Hengshan Hotel on the morning of 28 March. The host and guests had friendly talks on ways to enhance economic and trade cooperation between Shanghai and Iran. Velayati arrived in Shanghai yesterday from Beijing. The Iranian guests visited the New Pudong Zone yesterday afternoon. In the same evening, Vice Mayor Sha Lin met with Velayati and his party at the Xinjinjiang Hotel.

Taxation Agreement Signed with Israel

OW0804133795 Beijing XINHUA in English 1245
GMT 8 Apr 95

[FBIS Transcribed Text] Beijing, April 8 (XINHUA)—China and Israel signed an agreement on avoidance of double taxation here today.

Chinese Finance Minister Liu Zhongli and visiting Israeli Finance Minister Avraham Shohat signed the agreement on behalf of their respective government following their talks here this evening.

During the talks, the two ministers briefed each other's domestic economic development and expressed their aspirations for enhancing bilateral economic and trade exchanges and cooperation.

Shohat and his party arrived here yesterday as guests of Liu Zhongli, and they are also scheduled to visit Guilin and Guangzhou.

Wu Yi Northern Africa Trip Deemed 'Complete Success'

HK1004080095 Beijing XINHUA Domestic Service in Chinese 0628 GMT 31 Mar 95

[By reporter Zhuge Canglin (6175 5514 0221 7792): "Wu Yi's Visit to Northern Africa a Complete Success"]

[FBIS Translated Text] Rabat, 30 Mar (XINHUA)—Wu Yi, the PRC minister of foreign trade and economic cooperation who is currently visiting Rabat, said today that her friendly visit to Tunisia, Egypt, and Morocco was a complete success in achieving the goals of increasing mutual understanding, deepening friendships, and promoting bilateral trade and economic cooperation.

During her visit to the three north African countries, Wu Yi met with Egyptian President Husni Mubarak, Tunisian Prime Minister Hamed Karoui, and Moroccan Prime Minister Abdellatif Filali. She also extensively exchanged views and reached consensus with many ministers of the three countries on further developing various forms of bilateral cooperation.

Wu Yi said that she and the three countries' ministers or secretaries of foreign trade had jointly presided over

meetings of the mixed committees for trade and economic cooperation, and had signed the meetings' minutes, as well as the economic and trade agreements on measures and methods for further expanding trade and economic cooperation between China and the three countries.

Wu Yi believed that as long as all the parties concerned made joint efforts and conscientiously implemented the relevant agreements signed during her visit, and increased contacts and exchanges, the trade and economic cooperation between China and these three countries certainly would develop further, and reach a new stage.

Wu Yi will leave Rabat for China on 31 March.

CPC Representative Meets CPI-M Leader

BK0704161395 Beijing China Radio International in Hindi 1500 GMT 7 Apr 95

[FBIS Translated Text] Harkishan Singh Surjit, general secretary of Central Committee of Indian Communist Party-Marxist (CPI-M), met with the representative of the CPC attending the CPI-M 15th party congress in Chandigarh on 5 April. During the meeting, both sides expressed satisfaction at the exchanges between CPC and CPI-M and the promotion of relations between the two parties in recent years. Surjit said the CPC's continuing commitment to the socialist path greatly encourages the Marxist parties of other countries. He commended China's achievements in economic reforms and hoped that they will register more success. Both sides agreed that cooperation between the two parties should be strengthened in future.

PRC Reassures New Delhi on Military Ties

BK0804130395 Delhi All India Radio Network in English 1230 GMT 8 Apr 95

[FBIS Transcribed Text] China has reassured New Delhi that its growing military ties with Pakistan and Myanmar [Burma] do not pose a threat to India. A Chinese Foreign Ministry spokesman said in Beijing that development of China's relations with one is not directed at any other country.

Chinese, Pakistani Ministers Discuss Cooperation

OW0904170395 Beijing XINHUA in English 1612 GMT 9 Apr 95

[FBIS Transcribed Text] Islamabad, April 9 (XINHUA)—The 13th session of the Sino-Pak Joint committee on scientific and Technological cooperation commenced here today.

During the session, the two sides discussed the scientific and technological cooperation between the two countries during the year 1995 and matters relating to the next session.

The Pakistani side was led by Secretary of the Ministry of Science and Technology S.M. Qureshi while Han Degian, vice-minister of the State Science and Technology Commission headed the five-member Chinese delegation.

Qureshi said that Pak-China friendship is time-tested and will touch new heights in the future.

Han Degian said that the deliberations of the session would help further strengthen Sino-Pak cooperation in science, technology and allied fields.

The two sides deliberated the protocol of the 12th session and expressed satisfaction over the implementation of all its items.

The Chinese delegation arrived in Islamabad last night and is scheduled to leave for home on April 11.

Saudi Arabia To Open Shipping Line in China

OW0904235695 Beijing XINHUA in English 1937 GMT 9 Apr 95

[FBIS Transcribed Text] Abu Dhabi, April 9 (XINHUA)—Saudi Arabia is to open a new shipping line in China, according to local media reports today.

The National Shipping Co. of Saudi Arabia (NSCSA), the kingdom's biggest shipping firm, said it would start services for China's Tianjin port in May after launching operations at Shanghai port late last year.

The NSCSA has been the first Arab shipping firm to do business with China.

"The Tianjin line will provide traders with a new link to the northern parts of China, including interior markets around Beijing," said Husayn al-Maktum, deputy director of the NSCSA's lines and information technology, in a statement.

The NSCSA, the second biggest petrochemical shipper in the world, said that the expansions of business in China "reflected the developing friendly relations between the Chinese and the Gulf and other Arab states."

Trade between China and the Gulf and the Middle East has increased rapidly in recent years.

The Saudi government owns some 29 percent of the shares of the NSCSA, which has a capital of 533 million dollars and a fleet of 26 large vessels.

Sub-Saharan Africa

Delegation Enjoys 'Successful' Nigerian Visit

OW0804234595 Beijing XINHUA in English 2102 GMT 8 Apr 95

[FBIS Transcribed Text] Lagos, April 8 (XINHUA)—A Chinese educational delegation today concluded a three-day visit to Nigeria following its on-the-spot study on China's project of computer assistance to the west African nation.

"The visit is successful," a Chinese delegation member told XINHUA this evening shortly before they left here for home.

The delegation from the Chinese State Education Commission began its Nigeria tour on April 5 at the invitation of the Nigerian Federal Ministry of Education.

During the visit, the delegation paid a visit to Yaba College of Technology here and Edo State University, south Nigeria.

Besides, they also held discussions with senior Nigerian education ministry officials on China's computer assistance to Yaba College of Technology.

Nwokedi, the Director General of the Nigerian Ministry of Education, received the Chinese delegation on behalf of the Minister, M.T. Liman.

The project, if carried out, will be China's first educational assistance program in Nigeria, Dai Xingyuan, the Cultural Counselor of the Chinese Embassy in Nigeria, said here today.

China and Nigeria are expected to sign an agreement on the project of computer assistance to the Yaba college, the delegation members said.

Yaba College of Technology, founded some 47 years ago, has been playing a leading role in the development of middle and high level manpower for all sectors of the Nigerian society.

West Europe

EC External Affairs Vice President To Visit

OW0804104195 Beijing XINHUA in English 1004 GMT 8 Apr 95

[FBIS Transcribed Text] Brussels, April 8 (XINHUA)—Sir Leon Brittan, a vice-president of the European Commission (EC) who is in charge of external affairs in Asia, will visit China from April 18- 23, it was announced here.

An official at Brittan's office said The European Union (EU) attaches great importance to Sir Brittan's visit to China, one of the most important trading and political partners of the EU.

The official noted that this year marks the 20th anniversary of the establishment of official relations between the European Union (EU) and China, and the 10th anniversary of the signing of the EU-China Trade and Economic Cooperation Agreement.

During his visit, Sir Brittan is scheduled to hold talks with Chinese leaders on issues of China's membership in the World Trade Organization, promoting the political dialogue between the EU and China, as well as strengthening bilateral cooperation.

After talks in Beijing, Sir Brittan will travel to China's two inland provinces of Hubei and Sichuan for talks with local leaders and entrepreneurs, on the possibility of increasing cultural and economic cooperation between the EU and the two provinces.

CPPCC Leader Meets Austrian Party Delegation

OW0804084195 Beijing XINHUA in English 0818
GMT 8 Apr 95

[FBIS Transcribed Text] Beijing, April 8 (XINHUA)—Qian Zhengying, Vice-Chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met a delegation of the Austrian People's Party here this afternoon.

The five-member delegation, headed by Fritz Koenig, member of the European Parliament and Vice President of the Young Cardres' [spelling as received] Association of the Party, arrived in Beijing on Friday.

They came for a week-long visit at the invitation of the International Liaison Department of the Chinese Communist Party Central Committee for a seven-day visit to China.

Li Lanqing Meets Austrian Economics Minister

OW0804133195 Beijing XINHUA in English 1237
GMT 8 Apr 95

[FBIS Transcribed Text] Beijing, April 8 (XINHUA)—Chinese Vice-Premier Li Lanqing said here today that China hopes to further expand its two-way trade with Austria.

Li made the remark in a meeting with visiting Austrian Minister of Economics Wolfgang Schuessel.

The Austrian minister is here to attend the 13th meeting of the Mixed Committee for Co-operation Between China and Austria on Economy and Trade, which opened here Friday, as well as to attend a ceremony to mark the first nonstop flight from Beijing to Vienna.

During today's meeting, Li extended congratulations on the 13th meeting of the joint committee and the Beijing-Vienna nonstop flight.

The vice-premier said that Sino-Austrian economic co-operation and trade have seen remarkable developments in recent years, and bilateral co-operation is promising.

Li noted that problems also exist in the trade relations, but China hopes to further expand the two-way trade between the two countries, since two-way trade is the most stable and active type of trade relations.

Schuessel, who was co-chairman at the joint committee meeting with China's Minister of Foreign Trade and Economic Co-operation Wu Yi, said he discussed the feasibility with the Chinese side of certain projects.

Schuessel said that economic co-operation and trade between Austria and China are growing well, and that the Beijing-Vienna direct flight, which cuts by one half the previous time it took to fly between the two countries, will create favorable conditions for the development of trade relations between the two countries.

Shanghai Mayor Meets Bavarian Minister-President

OW0804161895 Beijing XINHUA in English 1519
GMT 8 Apr 95

[FBIS Transcribed Text] Shanghai, April 8 (XINHUA)—Shanghai Mayor Xu Kuangdi met with E. Stoiber, Minister-President of the German State of Bavaria, here this afternoon.

Xu said Shanghai is taking an active attitude to develop its economic and trade ties with Bavaria, and is keen to further promote the friendly co-operative relations between the two peoples.

Stoiber said that he appreciated China's reform and open policy and its achievements, and that his state is willing to strengthen its economic co-operation with Shanghai and Shandong Province.

During his stay in Shanghai, Stoiber visited an export-oriented processing zone in the Pudong New Area and a TV tower.

German Official Praises IPR Protection

HK1004062295 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 9-15 Apr 95 p 1

[By Sun Hong: "IPR Safety Measures Earn Praise"]

[FBIS Transcribed Text] Dr Erich Hauber, president of the German Patent Office, told Business Weekly that China has made noted progress in its intellectual property rights protection, and Germany is willing to develop its co-operation with China in the field.

"Intellectual property rights protection is the precondition for foreign investment in China, which the Chinese government has recognized," he said.

"China has established a patent-protection system in a short period of time, and it's a very good system. It has also published laws on trademarks and copyrights, and has set up well-organized offices to handle problems in the field."

China issued its first Patent Law in 1984, and has revised it twice. It has also established patent offices, patent agencies and IPR courts.

"The establishment of an exemplary patent system in such a large country within just a few years is without precedent in the history of intellectual property rights protection," Hauber said.

This patent law meets international standards and was accepted by domestic and overseas applicants, he said. Statistics from the Patent Office of China [POC] shows that the annual number patent applications has expanded from 14,372 in 1985 to 79,000 last year.

Accumulated overseas applications have surpassed 61,000, among which patent applications from Germany ranked third at 5,357.

Infringement cases exist, Hauber said, "However, so far as I know, China is on the way of solving the problems. It is on the way to give effective protection to IPR."

Hauber said Germany will continue its co-operation with China and help China on patent protection, which he called a sophisticated and complicated field.

During China's establishment and development of a patent-protection system, Germany has been a crucial partner said Lin Binhui, director general of POC's international department.

Since the two countries started contacts on patents in 1978, Germany has provided help in finance, information, and equipment, he said.

Germany has sent more than 300 patent experts to China. More than 500 staff members of China's patent offices, agencies and courts have been trained in Germany.

Meanwhile, Germany has offered POC financial aid of 30 million marks (\$21.7 million) and a mainframe computer system, a telephone system and printing facilities.

The sides are negotiating on loans to China for building a modern nationwide patent-in-formation network.

POC sources said the German Government will earmark \$18 million marks (\$13 million) to modernize local patent offices and offer loans of 21 million marks (\$15 million) on database construction, information examination and searching, and administration.

Upcoming Visit by Portuguese President Reviewed
OW0904082795 Beijing XINHUA in English 0657
GMT 9 Apr 95

[XINHUA "Roundup" by Feng Xiuju: "soares' Visit To Open New Chapter for Bilateral Ties"]

[FBIS Transcribed Text] Beijing, April 9 (XINHUA)—Portuguese President Mario Soares will start his first state visit to China tomorrow as guest of his Chinese counterpart Jiang Zemin, following a series of visits exchanged between high-ranking officials of the two countries.

Official sources believed that his visit will be conducive to the growth of bilateral friendly ties and also beneficial to cooperation between the two sides on the issue of Macao.

Over the 16 years Since China and Portugal established diplomatic relations, especially over the last few years, gratifying results have been made in the development of Sino-Portuguese relations.

Chinese leaders Jiang Zemin, Li Peng, Zhu Rongji and Rong Yiren visited Portugal one after another while Portuguese Prime Minister Anibal Cavaco Silva and Macao Governor General Vasco Joaquim Rocha Vieira also toured China.

All these have laid a good foundation for growing bilateral ties in every field, and for cooperation on the issue of Macao in particular.

Since the Sino-Portuguese Joint Declaration on the issue of Macao was signed in 1987, the Sino-Portuguese Joint Liaison Group has held 22 plenary sessions at which the three major questions in the transitional period of Macao, namely the localization of public servants and laws as well as the official status of Chinese language, have been discussed in a friendly way. As a result, progress has been made in the following aspects:

- Chinese language has begun to be used in legislative, judicial and administrative areas;
- The number of local Chinese residents acting as medium or high-level civil servants has increased;
- Fruitful results have been made in sorting out laws and translating them into Chinese.

Last year, the Chinese and Portuguese sides reached an agreement that the Bank of China will involve in issuing Macao Pataca starting from October 16, this year.

This will not only benefit the stability of the economic and financial systems in Macao, but also promote the smooth transition of power there.

In addition, the two sides held consultations on issues concerning Macao's international airport and civil aviation agreements.

The issue on the authorization of the scope for aviation space management at Macao international airport has been solved. The two sides have also finished the examination and approval of the texts of several aviation agreements between the region of Macao and Austria, Brazil and other countries.

They also reached a consensus on Macao's joining the relevant international organizations.

The China-Portugal good political relationship has injected new vitality to bilateral economic cooperation.

According to an official from the Chinese Ministry of Foreign Trade and Economic Cooperation, the volume of trade between the two countries in 1993 rose to 110 million U.S. dollars from only 200,000 U.S. dollars in 1979 when the two countries established diplomatic ties.

The two countries have also signed agreements on economic, industrial and technical cooperation and on the protection of investment as well as a contract on the joint investment in a winery in north China's Hebei province.

For the past three consecutive years, Portugal has been dispatching Business groups to China for studying its investment environment.

It was learned that Wu Yi, minister of Foreign Trade and Economic Cooperation, will visit a number of south European countries including Portugal later this month. The government trade delegation led by her will be accompanied by an investment group composed of about 140 entrepreneurs from 18 provinces and cities throughout the country.

They will bring with them 400 bidding projects covering different sectors.

The official believed that there still exist great potentials for bilateral economic cooperation and trade. He said that Portuguese officials in charge of diplomatic, economic and trade affairs as well as the Macao Governor will accompany Soares on the China visit. During the visit, president Soares will confer with Chinese leaders on expanding bilateral cooperation in every field.

With the approaching of 1999, it is also expected that president Soares' visit to China will give an impetus to the complete implementation of the Sino-Portuguese Joint Declaration on the issue of Macao so as to continuously maintain the stability and development in Macao.

Turkish Acting President Receives Delegation

OW0704172695 Beijing XINHUA in English 1722
GMT 7 Apr 95

[FBIS Transcribed Text] Ankara, April 7 (XINHUA)—Turkish Acting President and Parliament Speaker Husamettin Cindoruk today received a visiting Chinese women delegation.

Cindoruk, during his meeting with the Chinese guests, said that Turkey follows with interest the development in China, adding that China's economy is forging ahead rapidly.

He urged more high-level contacts between the two countries.

Cindoruk disclosed that Turkish President Suleyman Demirel will pay an official visit to China in May this year, and he hoped this visit would further improve the ties between Turkey and China.

Present at the meeting were Chinese Ambassador to Turkey Hu Changlin and other embassy officials.

Turkish President Suleyman Demirel is now on a visit in Latin America.

CPIFA President Meets British Official

OW0904123495 Beijing XINHUA in English 1149
GMT 9 Apr 95

[FBIS Transcribed Text] Beijing, April 9 (XINHUA)—Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs (CPIFA), met here today with Edward Heath, former British Prime Minister.

Heath, now 79, arrived here today for a visit at the invitation of CPIFA.

East Europe

Qian Qichen Visit to Bulgaria Reported

Meets With Bulgarian President

OW0704145595 Beijing XINHUA in English 1433
GMT 7 Apr 95

[FBIS Transcribed Text] Sofia, April 7 (XINHUA)—Bulgarian President Zhelyu Zhelev today held talks with visiting Chinese Vice Premier and Foreign Minister Qian Qichen on bilateral relations and matters of mutual concern.

During the talks, Zhelev said although the international situation has changed greatly in the past several years, the foundation of the friendly ties between the two countries remain unchanged.

With the establishment and development of a market economy in Bulgaria, the two countries will become important trade partners, he said.

Qian said in the talks that the Chinese government respects the choice of the Bulgarian people for the road of development according to their national conditions.

He also expressed appreciation for Bulgaria's contribution to the maintenance of regional peace and stability.

China hopes to see an early solution to the conflicts in the Balkan region, Qian said, noting that China shows no favor to sanctions taken frequently in the international affairs as they might only make things more complicated.

Qian arrived here on Thursday for a four-day official visit. Then he will visit Yugoslavia and Iceland.

Discusses Trade Ties

OW0804020495 Beijing XINHUA in English 0142
GMT 8 Apr 95

[FBIS Transcribed Text] Sofia, April 7 (XINHUA)—Visiting Chinese Foreign Minister Qian Qichen and Bulgarian leaders today agreed to strengthen trade relations between their two countries.

At a meeting with Bulgarian Prime Minister Zhan Videnov, Qian described trade ties as an important basis for

bilateral relations, saying the two governments should support direct contacts between companies, enterprises and regions.

He also said China respects the choice by East European peoples, including the Bulgarians, of a social system and a road of development suitable for their own conditions and pledged China's commitment to friendship and cooperation.

Videnov said trade cooperation is a major aim of Bulgaria's policy toward China, as economic ties based on equality and mutual benefit will play a significant role in state relations under the new circumstances.

He expressed the hope that political exchanges will further increase between the two countries' senior leaders, noting that there is no obstacle to the development of friendship and cooperation between the two nations.

The Bulgarian prime minister also reaffirmed his country's consistent one-China stand on the issues of Taiwan and Tibet.

Qian and Kiril Tsochev, Bulgaria's deputy prime minister and minister of commerce and foreign economic cooperation, today discussed trade issues between the two countries.

In another meeting with the chairman of the Bulgarian National Assembly, Blagovest Sendov, Qian said that China hopes for more parliamentary exchanges between the two countries.

Qian also attended the signing ceremony for Sino-Bulgarian agreements on cooperation in culture, education and judiciary and between the foreign ministries of the two countries.

Meets With Prime Minister

OW0904131195 Beijing XINHUA Domestic Service in Chinese 0201 GMT 8 Apr 95

[By reporters Hou Fengqing (0168 7364 5464) and Xie Xuemin (6200 1331 2404)]

[FBIS Translated Text] Sofia, 7 Apr (XINHUA)—Zhan Videnov, chairman of the Bulgarian Council of Ministers, had a meeting here this afternoon with Qian Qichen, Chinese vice premier and foreign affairs minister. The two sides exchanged views on developing Sino-Bulgarian relations under the new situation as well as on international and regional issues.

The meeting began with Qian Qichen conveying Premier Li Peng's regards to Prime Minister Videnov and the premier's invitation to him to visit China. Qian Qichen said: China respects the independence of Eastern European peoples, including the Bulgarians, in choosing a social system and the path of development suitable for

their own conditions, and China will continue to maintain and develop friendly relations and cooperation with these countries on the basis of the five principles of peaceful coexistence.

Qian Qichen said: We have taken note of the fact that all Bulgarian parties and Bulgarian administrations have stood for developing relations with China. The Chinese Government appreciates the principled stand which the Bulgarian Government upholds on the Taiwan and Tibet issues.

Videnov gladly accepted the invitation to visit China. He also asked Qian Qichen to convey his thanks to Premier Li Peng. He said: Foreign Minister Qian's current visit is significant for developing the two countries' relations. This is no barrier obstructing the development of the two countries' friendship and cooperation. Bulgaria hopes to further strengthen the two countries' high-level political contacts. The Bulgarian Government's principled stand on the Taiwan and Tibet issues has been consistent.

Qian Qichen stressed that economic relations and trade are important in the two countries' relations, and that they also constitute an important foundation of the two countries' relations. He said the two countries should encourage and support direct contacts between their companies, businesses, and regions.

Videnov endorsed the observation. He said: Under the new situation, equal and mutually beneficial economic relations and cooperation will play an important role in inter-state relations. Strengthening the two countries' economic cooperation and trade is an important goal of Bulgaria's China policy.

Present at the meeting were Dai Bingguo, Chinese vice foreign affairs minister; and Bai Shoumian, Chinese ambassador to Bulgaria.

Kiril Tsochev, Bulgarian deputy prime minister and minister of commerce and foreign economic cooperation, also had a discussion with Qian Qichen today on developing Sino-Bulgarian economic relations and trade.

This afternoon, Qian Qichen attended a ceremony of signing the Sino-Bulgarian treaties [tiao yue 2742 4766] on cultural and educational cooperation and judicial assistance, and the protocol for cooperation between the two countries' ministries of foreign affairs. He also granted an interview with Bulgarian Television.

Ends Visit to Bulgaria 9 Apr

OW0904115495 Beijing XINHUA in English 1121 GMT 9 Apr 95

[FBIS Transcribed Text] Sofia, April 9 (XINHUA)—Chinese Vice Premier and Foreign Minister Qian Qichen left here today for Yugoslavia to continue his six-nation European tour.

A press communique was issued by both sides at the end of Qian's visit.

Qian Qichen arrived in Bulgaria on April 6. During his stay in the country, the Chinese foreign minister held talks with his Bulgarian counterpart Georgi Pirinski on bilateral relations and international issues of mutual concern.

Qian also met Bulgarian President Zhelyu Zhelev and Prime Minister Zhan Videnov.

Bulgaria was the fourth leg of Qian's six-nation European tour, which had already taken him to Latvia, Slovakia and Moldova.

Qian Qichen Meets With Yugoslav Foreign Minister

OW1004092095 Beijing XINHUA Domestic Service in Chinese 0144 GMT 10 Apr 95

[FBIS Transcribed Text] Belgrade, 9 Apr (XINHUA)—Yugoslav Foreign Minister Jovanovic held talks with visiting Chinese Vice Premier and Foreign Minister Qian Qichen in the afternoon of 9 April. The two exchanged views on bilateral relations and international issues of common concern.

Qian Qichen said that since his last visit to Yugoslavia six years ago, great changes had taken place in the world and the Balkan region, but that long, traditional friendly and cooperative relations between the two countries had remained unchanged; and China always pursued a policy of developing friendly and cooperative relations with Yugoslavia on the basis of the five principles of peaceful coexistence. He expressed his belief that, taking into account the changes in the situation, the two countries would gradually develop cooperation in various fields, including the economy and trade.

Jovanovic said the Federal Republic of Yugoslavia was determined to continue to strengthen Yugoslav-Chinese friendly relations. He hoped that while developing cooperation in culture and sports, the two countries would get prepared for more economic cooperation and trade on the basis of equality and mutual benefit after the sanctions against Yugoslavia were lifted.

Qian Qichen explained China's policy of promoting a just and reasonable solution to the crisis in the former Yugoslavia. He said: It is necessary to establish a new peace mechanism in the region, as the old one ceased to exist with the end of the Cold War. Otherwise, it will be difficult to stop the conflicts and turmoil there and people there will continue to suffer. War and sanctions are not solutions to problems. China is opposed to the imposition of sanctions on a country at every turn. The Federal Republic of Yugoslavia has made efforts to peacefully solve the crises in the former Yugoslavia, especially to bring peace to Bosnia-Herzegovina. China supports and appeals to the international community to seriously consider lifting all the sanctions against Yugoslavia as soon as possible.

During the meeting, Jovanovic briefed Qian on Yugoslavia's stand and propositions on the crises in the former Yugoslavia. He stressed that his country is pursuing a peaceful foreign policy and has no territorial claims on the countries which were former republics of Yugoslavia. He stood for peaceful settlement of issues through negotiation and voiced the hope that the sanctions against his country might be lifted soon to ease the way toward a solution of the crises in the former Yugoslavia.

Jovanovic said: China consistently holds a positive, constructive and principled stand of the solution to the crisis in the former Yugoslavia, and this is also a concrete embodiment of China's peaceful foreign policy.

During the meeting, the two foreign ministers also exchanged views on international issues of common concern.

Present at the meeting were Chinese Vice Foreign Minister Dai Bingguo and Chinese ambassador to the Federal Republic of Yugoslavia Zhu Ankang.

After their meeting, the two ministers signed the "Cooperation Plan in Culture and Education for 1995-1996 between the People's Republic of China [ROC] and the Federal Republic of Yugoslavia."

Qian Qichen arrived in Belgrade on 9 April morning to begin a three-day official visit to the Federal Republic of Yugoslavia.

Appeals for End to Sanctions

OW1004035295 Beijing XINHUA in English 0330 GMT 10 Apr 95

[FBIS Transcribed Text] Belgrade, April 9 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen said here today that China supports and appeals to the international community to remove the sanctions against Yugoslavia as soon as possible.

Qian, who arrived here earlier today for a three-day visit, made the remarks while meeting with Yugoslav Foreign Minister Vladislav Jovanovic.

He explained China's stand for a just, reasonable and peaceful solution to the conflicts in the former Yugoslavia. He pointed out that it is necessary to establish a new peace mechanism in the region as the old one ceased to exist with the end of the Cold War. Otherwise, conflicts and turmoil will continue there and people will still suffer.

War and sanctions are not solutions to problems, Qian stressed, adding that China is opposed to the imposition of sanctions on a country at every turn.

He praised Yugoslavia for its efforts to peacefully solve the crises in the former Yugoslavia, especially to bring

peace to Bosnia. He appealed to the international community to seriously consider lifting all the sanctions against Yugoslavia as soon as possible.

The Chinese foreign minister noted that China will continue to develop its traditional and friendly relations with Yugoslavia on the basis of the five principles of peaceful co-existence. With the changes in the international situation, he noted, cooperation will steadily increase between the two countries in all fields, including in economy and trade.

During the meeting, Jovanovic briefed Qian on Yugoslavia's stand and propositions for solving the crises in the region. He stressed that his country is pursuing a peaceful foreign policy and has given up territorial claims on the countries which were former republics of Yugoslavia.

He voiced the hope that the international community would soon lift sanctions against his country so as to facilitate the solution of the crises in the former Yugoslavia.

The Yugoslav foreign minister said his country is determined to further strengthen its friendly relations with China.

He hoped that while developing cooperation in culture and sports, the two countries will get prepared for more economic cooperation and trade on the basis of equality and mutual benefit after the sanctions against Yugoslavia are lifted.

After their meeting, the two ministers signed the Sino-Yugoslav cooperation plan in culture and education for 1995-1996.

Latin America & Caribbean

Colombian Vice President's Visit Reported

Meets With Jiang Zemin

OW0904143195 Beijing XINHUA Domestic Service in Chinese 1512 GMT 5 Apr 95

[By reporter Wen Jihua (2429 4949 5478)]

[FBIS Translated Text] Beijing, 5 Apr (XINHUA)—At a meeting with Colombian Vice President Humberto de La Calle in Zhongnanhai this evening, President Jiang Zemin said that the Chinese Government attached great importance to developing friendly relations and cooperation with Colombia.

President Jiang Zemin said: With a steady economic development, Colombia has achieved positive results in promoting peace and stability at home. Colombia upholds an independent foreign policy, is actively involved in international affairs, and has made unremitting efforts in safeguarding world peace and promoting common development.

Jiang Zemin stressed: China and Colombia are developing Pacific Rim countries. We share common interests and missions on issues of peace and development. With respect to the development of the two countries' mutually beneficial cooperation, the potential is great and the future is broad. Jiang Zemin said that the momentum of the two countries' steady economic development would further promote the two countries' mutually beneficial cooperation. He said: We sincerely hope to work hard with our Colombian friends in bringing about a healthy and steady development of our two countries' friendly relations and cooperation.

De La Calle said: As both are developing countries, Colombia and China have many things in common. China has achieved high economic growth, and Colombia's economy is also growing steadily. The field for the two countries' economic cooperation and trade is broad and the potential is great. We can learn from each other and develop together.

Jiang Zemin greeted Colombia for being elected as the chairman of the 11th conference of nonaligned movement, saying that the Colombian Government has accomplished a great deal of work in sponsoring this conference. He said: China always supports the objectives and principles of the nonaligned movement, and highly evaluates the positive role the movement has played. Under the current international situation, members of the nonaligned movement should strengthen their solidarity and cooperation and coordinate their stands in bringing about a healthy development of international relations.

De La Calle said: The nonaligned movement under the new situation should have new substance, developing countries should strengthen the South-South cooperation, and it is hoped that China could contribute its share in this regard. On behalf of the Colombian Government, he formally invited the Chinese Government to send a high-ranking delegation to attend the 11th summit conference of the nonaligned movement scheduled to take place in Cartagena in October.

During the meeting, Jiang Zemin asked de La Calle to convey his regards to President Samper, and said China welcomed President Samper to visit China at his convenience.

Present at the meeting were Liu Huaqiu, director of the State Council Foreign Affairs Office and vice minister of foreign affairs; and Liu Chengguo, head of the reception group and vice minister of agriculture who was accompanying the Colombian vice president during his visit in China.

Ends Visit, Departs

OW0804160695 Beijing XINHUA in English 1504 GMT 8 Apr 95

[FBIS Transcribed Text] Shanghai, April 8 (XINHUA)—Colombian Vice-President Humberto de la

Calle Lombana wound up his visit to China and left here for Colombia via Hong Kong this afternoon.

The vice-president, who arrived here from Beijing April 6, visited an export-oriented processing zone in the Pudong New Area and some scenic spots during his stay in the east China metropolis.

He also toured Suzhou in Jiangsu Province from yesterday afternoon to early today, where he visited a high-tech development zone.

He said that he was impressed by the fact that China is developing high-tech projects while striving to wipe out poverty.

He noted that Colombia and China are both developing nations, and should strengthen exchanges and join hands in development.

Qiao Shi Calls For Closer Ties With Ecuador
OW0904143695 Beijing XINHUA in English 1419 GMT 9 Apr 95

[FBIS Transcribed Text] Beijing, April 9 (XINHUA)—Qiao Shi, Chairman of the Standing Committee of the National People's Congress (NPC), said here today that China values its ties with Ecuador and hopes to see the bilateral relations being lifted to a new height.

Qiao made the remarks during his meeting with Heinz Moller Freile, president of the National Congress of Ecuador, and his party, who came to Beijing Saturday [8 April] for a ten-day visit in China as guests of the NPC Standing Committee.

The NPC chairman noted that the Sino-Ecuadorian relations have developed steadily since the two countries forged diplomatic links in 1980, adding that the exchanges between the two governments and parliaments have been on the rise.

"As developing countries, China and Ecuador have the common task of safeguarding world peace, promoting economic development and improving people's living standards," he said.

"The Chinese government attaches great importance to the development of Sino-Ecuadorian relations, and hopes that our relations will be lifted to a new height," Qiao stressed.

Qiao said that the visit by the Ecuadorian guests will help improve mutual understanding of the two peoples and promote the exchange and cooperation between the two parliaments.

Moller said that China's development has drawn an increasing interest from countries around the globe, including Latin American countries, he said.

Despite the big difference in the sizes of population and lands, Ecuador and China share a lot of similarities, Moller said, adding that his country is ready to expand its cooperation with China in the fields of politics, culture, and economy and trade in particular.

Qiao said, "I hope we will increase contacts and exchanges so that we can share each other's experiences in development."

After the meeting, Qiao hosted a dinner for the Ecuadorian visitors, who are also scheduled to visit Xian, Shanghai and Shenzhen during their China trip.

Li Ruihuan Meets Visiting Venezuelan Delegation
OW1004095895 Beijing XINHUA in English 0903 GMT 10 Apr 95

[FBIS Transcribed Text] Beijing, April 10 (XINHUA)—Li Ruihuan, a member of the Standing Committee of the Political Bureau of the Central Committee of the Chinese Communist Party (CPC), met with a delegation from the Venezuelan Christian Socialist Party (VCSP) here today.

Both sides expressed the wish to develop the friendly co-operative ties between the two parties and the two countries.

Li, also chairman of the National Committee of the Chinese People's Political Consultative Conference, extended a warm welcome to the guests, led by VCSP General Secretary Donald Ramirez Molina.

Li said that over the 20 years since the two countries established diplomatic ties, bilateral relations in various fields have been developing smoothly.

However, he pointed out, both sides can still seek ways to further broaden communication and co-operation in areas such as economy, trade, science and technology.

On relations between the two parties, Li said that the VCSP was one of the first parties in Latin America to initiate relations with the CPC, and the contacts between them are both close and fruitful.

He noted that the CPC is willing to further intensify its relations with the VCSP on the basis of independence, complete equality, mutual benefit and non-interference in each other's internal affairs.

The persistent exchange of visits and views between the two countries and the two parties will undoubtedly promote the friendship and co-operation between the two peoples and the two countries, he added.

Ramirez said that the VCSP has always been interested in China's reform and opening under the guidance of the CPC. He expressed appreciation about China's great achievements and willingness to reinforce friendly cooperation between the two parties and the two countries.

Li also briefed the guests on the development of China's reform and the working focus of the CPC.

Li Shuzheng, head of the International Liaison Department of the CPC Central Committee, was also present on the occasion.

Founded in 1946, the VCSP has twice been Venezuela's ruling party, and is now the country's major opposition party. Ramirez and his entourage arrived here April 8 at the invitation of the CPC.

Political & Social

Qiao Shi Comments on 'Stable' Political Situation
OW0904064295 Beijing XINHUA in English 0623
GMT 9 Apr 95

[FBIS Transcribed Text] Beijing, April 9 (XINHUA)—Qiao Shi, chairman of the Standing Committee of China's National People's Congress (NPC), stated here that China will enjoy a stable political situation in the future and promises high hopes of success.

The Chinese leader is scheduled to leave tomorrow for visits to Japan and the Republic of Korea (ROK). On Saturday [8 April] he granted interviews to Beijing-based Japanese and ROK journalists at the Great Hall of the People.

When asked how he viewed China's political situation, Qiao noted that the Third Plenary Session of the 11th Central Committee of the Chinese Communist Party, held in 1978, summed up historical experiences and shifted the focus of Party's work to economic construction. At the same time, it also initiated a series of new policies aimed at the promotion of democracy and economic restructuring.

Over the past 16 years China's economy has developed fairly rapidly, and its people's living standards have been raised significantly. All this has proved that the line, principles and policies set by the session are correct and have the support of the Chinese people, Qiao said.

The current Chinese leadership will adhere to the line, principles and policies adopted over the past 16 years, and carry forward the reform and opening-up cause, which was initiated by Deng Xiaoping, he stressed.

"China will enjoy a stable political situation and promises high hopes of success," Qiao said.

Asked about the status of NPC deputies and the NPC's work, Qiao said that the NPC has paid considerable attention to electing younger deputies. A number of the deputies, who worked in governmental organizations in the past, have rich experience of leadership and strong capability to discuss political affairs, which are exactly what the NPC needs.

"I don't think NPC work is the second-line work," Qiao said, adding that it is also the first-line work, as the country's Constitution stipulates that the people's congresses at all levels are the legislative bodies, which are entrusted with heavy tasks of legislation and supervision.

The NPC is the supreme legislative body of the country, and its status, functions and powers were laid down in the Constitution as early as 1954, with no changes since, he said.

As to the future development and improvement of the people's congress system, Qiao pointed out that the most

important and essential thing is to proceed from the relevant stipulations of the Constitution.

Peng Peiyun Says Polio To Be Wiped Out by 1996

HK1004025795 Beijing CHINA DAILY in English
8 Apr 95 p 1

[By Liu Yinglang: "Target to Eradicate Polio Set"]

[FBIS Transcribed Text] China pledged to eradicate Polio, a disease occurring mainly among children, by the end of this year, according to State Councillor Peng Peiyun yesterday.

International help is still needed in realizing this ambitious target because it is not easy to wipe out such a highly infectious disease in a country with 1.2 billion population, Peng said.

She made these remarks at a meeting marking World Health Day with a theme of Target 2000, a World without Polio.

China promises to strengthen its anti-polio drive, especially on China's National Immunization Days (NIDs) falling on every January 5 and December 6.

The twice a year immunization drive will be continued, she added.

At the symposium, Chen Minzhang, Minister of Public Health, commented on some of the country's achievements in eradicating the disease over the past year.

The number of polio cases in China has fallen 32 per cent from 638 in 1993 to 365 in 1994.

And between December of 1993 and January of 1994 China has immunized over 80 million children under four, setting a world record, according to Chen.

To promote the fight against polio, Chinese leaders, like President Jiang Zemin and Premier Li Peng, joined the activities on NIDs in Beijing.

Dr Hiroshi Nakajima, Director-General of WHO, also gave a speech at the meeting.

WHO has sent three experts on polio to China and together with other international bodies like the United Nations Children's Fund (UNICEF), have given the country polio vaccines worth more than \$12 million in the past two years.

Nakajima highly praised China for its determined efforts in fighting the disease.

He admitted that "conducting National Immunization Days effectively across the whole territory of China, which represents nearly one quarter of the entire world's population, is a daunting task with formidable logistical requirements."

So "it is a great achievement on the part of China that it has been able to conduct such immunization days successfully," he added.

China has taken up 80 per cent of the expenses for eliminating the disease, while the other 20 per cent came from overseas organizations, he disclosed.

Early in 1964, China began limited vaccinations against polio. Since then, the number of the cases has declined from approximately 20,000 a year in the 1960's, to 12,000 in 70's, and to less than 10,000 in the early 80's.

Report on Leaders' Activities 28 Mar-5 Apr **OW0804043595**

[FBIS Editorial Report] PRC media monitored by Okinawa Bureau from 28 March to 5 April carried the following reports on PRC central leadership activities. The source is noted in parentheses after each report.

Forum Marks Book Publication—A forum marking the publication of a "Series of Books on the Study of Deng Xiaoping's Reform Ideology" was held at the Great Hall of the People on 28 March.

The series is composed of 11 volumes, totalling 2 million characters. Xu Caihou, deputy director of the General Political Department, and others attended the meeting. (Beijing XINHUA Domestic Service in Chinese 1410 GMT 28 Mar)

Li Lanqing Visits University—On 27 March, Li Lanqing, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, visited Shanghai's Tongji University to hold talks with leading members of the school, teachers, and students. He was accompanied by Shanghai Vice Mayor Xie Lijuan during his visit. Li Lanqing encouraged teachers and students to take advantage of the good opportunity of reform and opening up; to deepen reform in education and teaching; to suit the needs of society and demand for trained people in the course of economic development; and to turn Tongji into a first-rate university. He called on schools of higher learning to actively serve local economic and social development. He said: The administration of schools of higher learning should be gradually shifted to management by both central and local levels with local authorities assuming the main part. (Shanghai JIEFANG RIBAO in Chinese 28 Mar 95, p 1)

Li Tieying Meets Sportsmen—On 28 March, Li Tieying, member of the Political Bureau of the CPC Central Committee, met with members of the Hong Kong Nanhua Sports Association in Beijing. (Beijing Central Television Program One Network in Mandarin 1100 GMT 29 Mar 95)

Wu Bangguo Addresses Class—A special class sponsored by the Central Party School for leading cadres at the provincial and ministry level on the study of the reform of state-owned enterprises ended on 31 March. Wu

Bangguo, member of the CPC Central Committee Political Bureau and Secretariat, attended and spoke at the graduation ceremony. (Beijing XINHUA Domestic Service in Chinese 0325 GMT 31 Mar)

Peng Peiyun Attends Beijing Event—State Councillor Peng Peiyun participated in "urban cleaning day" activities in Beijing on 31 March. It was the third time Beijing Municipality has sponsored such an activity. (Beijing XINHUA Domestic Service in Chinese 0335 GMT 31 Mar)

Jiang Chunyun Addresses Meeting—To mark the third anniversary of implementation of the "PRC Law Governing the Import and Export of Animals and Plants," the Ministry of Agriculture held a forum on 31 March. Vice Premier Jiang Chunyun spoke at the meeting. Liu Jiang, minister of agriculture, and Wang Guangying, vice chairman of the NPC Standing Committee were on hand. (Beijing XINHUA Domestic Service in Chinese 0819 GMT 31 Mar)

Wen Jiabao Attends Funeral—Comrade Huang Jiqing, pioneer and founder of China's geological undertakings, died at the age of 91 in Beijing on 22 March. His remains were cremated in Beijing on 31 March.

On behalf of Jiang Zemin and Li Peng, Wen Jiabao, member of the CPC Central Committee Secretariat, attended the funeral ceremony held at the Babaoshan Cemetery. (Beijing XINHUA Domestic Service in Chinese 1558 GMT 31 Mar)

Jiang Zemin Inscribes for Youth Activity—A ceremony to name civilized youth collectives was held in Beijing on 1 April. Jiang Zemin wrote an inscription for advanced youth units that have made outstanding achievements in production, management, and services. (Beijing Central People's Radio Network in Mandarin 1030 GMT 1 Apr 95)

Song Renqiong Inscribes for School—A naming ceremony for the middle school affiliated with Beijing University of Science and Technology was held in Zhong Guang Village—Beijing's science park on 1 April. Song Renqiong, Lei Jieqiong, and others wrote inscriptions for the occasion. (Beijing XINHUA Domestic Service in Chinese 0918 GMT 2 Apr)

Jiang Zemin Signs Merit Order—On 14 March, Chairman of the Central Military Commission Jiang Zemin signed an order on conferring merit second class on a detachment of the East China Sea Fleet. A celebration meeting was held at a naval port on 3 April. Xu Zhenzhong, deputy commander of the Navy; Chen Xianfeng, deputy director of the Political Department of the Navy; Yang Yushu, commander of the East China Sea Fleet; and Yue Haiyan, political commissar of the East China Sea Fleet, attended the celebration meeting. (Hangzhou Zhejiang People's Radio Network in Mandarin 1000 GMT 3 Apr 95)

Ji Pengfei Attends Forum—The Hong Kong-based TA KUNG PAO held a forum marking the fifth anniversary of promulgation of the Basic Law of the Hong Kong Special Administration Region at the Great Hall of the People on 3 April. More than 40 people, including Ji Pengfei, former vice premier; Wang Hanbin, former NPC vice chairman; Chen Ziyang, deputy director of the Hong Kong and Macao Affairs Office; Lei Jieqiong, NPC vice chairman; attended the meeting. (Beijing XINHUA Domestic Service in Chinese 1235 GMT 3 Apr)

Wang Hanbin Attends Meeting—A discussion meeting on the shooting of a TV series with the history of Hong Kong as the main theme, was held at the Great Hall of the People on 3 April. Ji Pengfei, former vice premier; Wang Hanbin, former NPC vice chairman; Chen Ziyang, deputy director of the Hong Kong and Macao Affairs Office; Lei Jieqiong, NPC vice chairman; and others attended the meeting.

The series, totalling 16 installments ranging from the British invasion of China to the return of Hong Kong to China, is expected to be aired by the Central TV Station from early 1996 to July 1997. (Beijing XINHUA Domestic Service in Chinese 1238 GMT 3 Apr)

Zou Jiahua Meets Workers—Vice Premier Zou Jiahua met with labor models and advanced workers selected from geological and mining units across the country at the Great Hall of the People on 3 April. On behalf of the State Council, Zou Jiahua expressed his warm congratulations to them. (Beijing XINHUA Domestic Service in Chinese 1306 GMT 3 Apr)

Jiang Zemin Attends Concert—In memory of the 100th birth anniversary of national musician Liu Tianhua (1895-1932), a concert was held at the Beijing Music Hall on the evening of 3 April. Jiang Zemin, Ding Guangen, and more an audience of more than 1,000 attended the concert. (Beijing XINHUA Domestic Service in Chinese 1606 GMT 3 Apr)

Wei Jianxing Attends Exhibition—To mark the 70th anniversary of the All-China Federation of Trade Union, an art exhibition was held at the Working People's Cultural Palace recently.

Wei Jianxing, president of the All-China Federation of Trade Union and member of the CPC Central Committee Political Bureau; Li Peiyao, vice chairman of the NPC Standing Committee; and Wan Guoquan, vice chairman of the National CPPCC Committee; and others attended the exhibition. (Beijing XINHUA Domestic Service in Chinese 2133 GMT 3 Apr)

Wei Jianxing Attends Meeting—On 4 April, the Central Commission for Discipline Inspection and Ministry of Supervision held a meeting commending advanced workers of the commission and ministry.

Wei Jianxing, member of the CPC Central Committee Secretariat and member of the Central Commission for

Discipline Inspection, attended the meeting. (Beijing XINHUA Domestic Service in Chinese 0705 GMT 4 Apr)

Chen Xitong Attends Meeting—On 4 April, the Beijing Municipal Public Security Bureau and Political Department of the Ministry of Public Security held a meeting commending Comrade Cui Daqing and Comrade Gan Leitong. During the meeting, Comrade Cui Daqing, a former policeman, was posthumously conferred the title of "Revolutionary Martyr and Fine Communist Party Member"; while Comrade Gan Leitong, also a policeman, was given the title of "Beijing City's Advanced Worker."

Chen Xitong, member of the CPC Central Committee Political Bureau and secretary of Beijing Municipality; Tao Siju, minister of public security; and others attended the meeting. (Beijing XINHUA Domestic Service in Chinese 0834 GMT 4 Apr)

Peng Peiyun Attends Ceremony—On 4 April, State Councillor Peng Peiyun attended a ceremony for the unveiling of a sculpture of Ma Yinchu, former president of Beijing University. (Beijing Central People's Radio Network in Mandarin 2230 GMT 4 Apr 95)

Huang Ju Attends Opera—On 4 April, Huang Ju, secretary of the Shanghai Municipal CPC Committee and member of Political Bureau of the CPC Central Committee, attended performances by Chinese and foreign opera troupes at the Yunfeng Theater in Shanghai. Huang Ju encouraged artists to give more outstanding performances to invigorate opera and expressed hopes for the prosperity of opera. (Shanghai People's Radio Network in Mandarin 2300 GMT 4 Apr 95)

Huang Ju Attends Ceremony—On 5 April, Huang Ju, secretary of the Shanghai Municipal CPC Committee and member of Political Bureau of the CPC Central Committee, took part in a ceremony for the unveiling of a memorial monument for revolutionary martyrs at Longhua in Shanghai. General Secretary Jiang Zemin wrote an inscription for the memorial monument that reads: "Serving the People with Loyal Hearts." (Shanghai People's Radio Network in Mandarin 2300 GMT 5 Apr 95)

Jiang Zemin Sets Up 'His Own' Theoretical System

HK0804081095 Hong Kong HONGKONG STANDARD in English 8 Apr 95 p 6

[By Wu Zhong]

[FBIS Transcribed Text] In order to strengthen his role as the "core" of China's third-generation leadership, Chinese Communist Party General Secretary and State President Jiang Zemin is striving to set up a theoretical system of his own. Over the past few years, he has already originated several ideas "in accordance with the national conditions of China". Now Mr Jiang has

invited theorists to put forward concepts on patriotism, the Communist Party's role and the building of a socialist market economy in China, Chinese academic sources said. In the build-up to the post-Deng era, Mr Jiang has realised the importance of formulating a theory of his own, believing that without this he cannot perform his role as the "core" of the third-generation leadership, sources said.

Mr Jiang once said that Mao, head of the first-generation leadership, had the theory of socialist revolution, and paramount leader Deng Xiaoping, head of the second-generation leadership, had the theory of Chinese socialism. He added that third-generation leaders should continue this theoretical development. Mr Jiang feels the task is becoming more important given the age and ailing health of Mr Deng, sources said. He believes the current leadership should have something to bind the nation together once paramount leader Mr Deng died, they added.

Mr Jiang may have learnt a lesson from Hua Guofeng. In 1976 when Mao died Hua succeeded him. Hua didn't establish his own theory and only copied Mao. He was soon forced to step down, analysts said. Since the beginning of last year when Mr Deng virtually waved goodbye to political life, Mr Jiang began his theoretical probing.

He started by proposing to launch nationwide patriotic education, a move widely regarded as a search for a new national ideology. "In his view, for the course of reunification, something theoretical must be found in common among all Chinese," a researcher in Beijing said. Based on this Mr Jiang made his eight-point proposal for peaceful reunification with Taiwan on the Chinese Lunar New Year Eve, the researcher said.

The Communist Party's role within the country's economic development was another theoretical point Mr Jiang wanted to develop, sources said. In September, Mr Jiang chaired the Fourth Session of the 14th Party Central Committee which focused on the party's grassroots.

Mr Jiang said the collapse of communist rule in the former Soviet Union and many Eastern European countries was due to the weakening of the Communist Party role. He also stressed the importance of conducting a study on how to strengthen the party's role in China "in accordance with the national conditions". Sources said that Mr Jiang also considered the building of a socialist market economy as a huge theoretical challenge to the leadership of his generation.

Party Secretaries Should Not Form 'Cabinets'

HK1004045895 Beijing RENMIN RIBAO in Chinese
4 Apr 95 p 3

[Commentator's article: "'Party Secretaries Forming Cabinets' Must Never Be Allowed"]

[FBIS Translated Text] It is reported that some time ago, when readjusting their leading groups, party committees in some places pursued the so-called "party secretaries forming their cabinets," meaning that party secretaries themselves chose the constituent members of the leading groups of the party committees at their own levels. In some places, party secretaries even chose principal leaders for the leading groups of the people's congress standing committees, governments, committees of the Chinese People's Political Consultative Conference [CPPCC], and mass organizations. This practice seriously violates the party's principle of democratic centralism, as well as the relevant regulations governing the selection and appointment of cadres. It also conflicts with the state and party Constitutions, and must resolutely be corrected.

The formation of the leading groups of the party committee, the people's congress standing committee, the CPPCC committee, and mass organizations is governed by corresponding regulations, laws, and rules. The Regulations Governing the Election of Local CPC Organizations provide that the standing committee members, secretaries, and deputy secretaries of the party committee and discipline inspection commission at any level are to be nominated by the party committee standing committee, and the nominations must be reported to the party committee at a higher level for deliberation and approval, and that these officials be elected by the plenary session of the local party committee at the same level. The PRC Law for the Organization of Local People's Congresses at All Levels and Local People's Governments at All Levels provides that leaders of local state organs at any level are elected by the people's congress at the same level, or are appointed or dismissed at the decision of its standing committee. The Articles for the Chinese People's Political Consultative Conference provide that leaders of the local CPPCC committee at any level are to be nominated through consultation by all parties, organizations, and nationalities, and by people of all circles that participate in the local CPPCC committee, and that they be elected by the plenary session of the CPPCC committee. Therefore, when readjusting and preparing a leading group, and when electing members and principal leaders for a leading group, we must strictly abide by these regulations, laws, and articles. No organization or individual has the right to alter them arbitrarily, and still less to violate them.

When selecting and appointing cadres, we must act strictly in accordance with the prescribed procedures. The Decision adopted at the Fourth Plenary Session of the 14th CPC Central Committee says: "Any recommendation, appointment, dismissal, award, or punishment of an important cadre must be decided on collectively by the central or local party committee." The CPC Central Committee's Provisional Regulations Governing the Selection and Appointment of Leading Party and Government Cadres, which were issued not long ago, make clear provisions on the principles, conditions, recommendation, testing, and preparation for the selection and

appointment of cadres, and on discussing decisions, as well as on discipline and supervision. The CPC Central Committee's Circular on Selecting and Appointing Cadres in Strict Accordance With Party Principles, as issued by the CPC Central Committee in 1986, and the Regulations Governing the Recommendation of Leading Cadres by Local Party Committees to Local State Organs, issued in 1990, also clearly set comparatively specific requirements. That is to say, when selecting leading cadres of party and state organs, we should go through democratic recommendation procedures, extensively listen to views, and nominate candidates; then have personnel departments test the candidates, and have the party committee collectively discuss the decisions and report them to the higher authorities in keeping with the limits of cadre management power; and then have the organization department at a higher level conduct a further test, and then forward the decisions to the party committee for discussion, deliberation, and approval. Candidates for posts as leading cadres who are recommended by the party committee to the people's congress or the people's congress standing committee must be nominated through the party committee's collective discussion. Candidates for CPPCC members should be nominated through discussion by various quarters, and be chosen in accordance with CPPCC articles and relevant regulations. These requirements both embody the spirit of reform and restate the party's consistent good traditions and good rules, and they must be adhered to conscientiously. No single person has the power to choose important cadres, and this is important discipline in the party's appointment of cadres. No organ at a higher level can empower the party secretary at the lower level to form a "cabinet." Still less does a party secretary have the power to choose members for the party committee at his own will and make decisions all at his own discretion. It is even more incorrect and unlawful to regard the principal leaders of the people's congress, the government, the CPPCC committee, and mass organizations as candidates for the party secretary's "cabinet."

Some comrades argue that a "party secretary forming a cabinet" is a kind of "reform," which can strengthen the party secretary's authority and is conducive to unity in the leading group. This argument is lop-sided and harmful. Strengthening unity is surely an important issue to be dealt with in strengthening the building of leading groups. The solution is that we should rely mainly on the party committee to implement the principle of democratic centralism, upgrade political and ideological quality, strengthen party spirit, and improve party conduct. Forming a "party secretary's cabinet" is not a method for strengthening unity. Rather, it sows the seed of disunity in the party, even if those selected seem to agree with one another on the surface. In fact, it very easily creates a patriarchal system, giving the principal leaders the final say in everything, and leading to other malpractices in the selection and appointment of personnel. It will be difficult to launch a positive ideological

struggle, making party life abnormal, and it will be difficult to maintain unity among the leading group on the basis of adhering to party spirit and principles. Where does the party secretary's authority derive from? It derives only from his comparatively good theoretical and policy competence, comparatively strong organizational and leadership abilities, good ways of thinking, and lofty morals, as well as from his practical work achievements and exemplary role. His authority must be recognized by the masses. If he departs from this, it will be impossible to really establish authority by choosing several cadres who listen to him. A very important point in deepening cadre system reform is to expand the degree of democracy in the selection and appointment of cadres. The fatal weakness in the "party secretary's cabinet" system is that principal leaders have the final say in the appointment of cadres. Very obviously, this runs counter to the demand for strengthening and improving party building, and for deepening cadre system reform. In selecting cadres and preparing a group of leaders, it is necessary to adhere to the party's principles and to act according to prescribed procedures.

Leading party cadres at all levels, and especially principal leaders, should set an example in observing the principle of democratic centralism; strengthen the awareness of implementing the party's line, principles, and cadre policies at their own initiative; conscientiously study some important party and state laws, regulations, rules, and systems, familiarizing themselves with their basic contents; enhance their concepts about organization, discipline, and the law; and really ensure that they act according to the law so as to guarantee that the selection and appointment of cadres, and the readjustment and preparation of leading groups can proceed smoothly.

First Religious Books Publishing House Set Up

OW0804030395 Beijing XINHUA in English 0240
GMT 8 Apr 95

[FBIS Transcribed Text] Beijing, April 8 (XINHUA)—China's first publishing house for religious books was recently established here in the capital with the approval of the Press and Publication Administration of China.

Sponsored by the Bureau of Religious Affairs (BRA) under the State Council, the Religious Culture Publishing House (RCPH) will handle publications and classics devoted to religious policy, theory, culture, history, doctrines, and canon.

Zhang Shengzuo, Director of BRA as well as RCPH, said the publishers will make efforts to facilitate religious research and introduce fine traditional religious culture to the believers of different religions, with the support of the general public and in light of freedom of religion.

'Third Eye' Author Encountering 'Interference'

HK0804070495 Hong Kong SOUTH CHINA
MORNING POST in English 8 Apr 95 p 7

[By Ted Plafker in Beijing]

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[FBIS Transcribed Text] The author who last year created a sensation with a controversial book *Viewing China Through A Third Eye* says he has encountered political interference in his efforts to publish the sequel.

Wang Shan's *Viewing China Through a Fourth Eye* is a further exploration of the mounting social and economic problems that, he says, the Government must face if its ambitious reforms are to succeed. "I want very much to publish *Fourth Eye*, but I have received pressure from people high up in the central Government, and I must consider the consequences," he said.

The author also said that a report last month in *Ming Pao* saying a publishing house in Xinjiang had agreed to publish his new book was "entirely inaccurate". Arrangements have been made for parts of the new book to be published in serialised format in the *Ming Pao Monthly*, but the author remains pessimistic about the prospects of finding a Chinese publisher.

The editor at the Shanxi People's Publishing House, which published *Third Eye*, has since lost his job, according to Wang. Other publishers he has been in contact with have been warned not to handle the sequel.

Wang, the 42-year-old son of a retired general in the People's Liberation Army, has also written a popular series of novels on China's organised crime underworld. He had planned to publish *Fourth Eye* shortly after the end of last month's National People's Congress.

Third Eye, which Wang originally issued under a fictitious German name, was banned from sale in government-run book stores but nevertheless sold an estimated one million copies, mostly in pirated editions. Prior to being banned, the book received praise from high-ranking leaders including President and Communist Party Chief Jiang Zemin.

In *Third Eye*, Wang outlined the growing tensions caused by the stratification of society, and urged the Government to find solutions bearing "the lowest social cost". He pointed in particular to the growing dissatisfaction of the country's 800 million-strong peasantry—a force he described as "China's active volcano". In *Fourth Eye*, he expands on these ideas, predicting that China will by the end of this century face a turning point as social problems expand to such proportions that they will have to be resolved in one way or another.

In addition to his publishing difficulties, Wang has been unable to obtain the passport he needs to make a book promotion trip to Japan. Although nobody has told him he cannot travel abroad, his application has been passed from one government agency to another, without action, he said. "It is probably already too late for me to travel as I had arranged, and I am quite angry about it," said Wang. "I do not know what to do. If the state will not support me in my writing, then I will abandon it and go to find a job as a worker somewhere," he said.

Commission Calls For Reform in College System

OW0704163595 Beijing XINHUA in English 1500
GMT 7 Apr 95

[FBIS Transcribed Text] Beijing, April 7 (XINHUA)—The State Education Commission (SEC) has called for further reform steps from over 100 colleges which experimentally charge tuition fees.

According to the SEC, these colleges and universities must reform their management of teaching, enrolment, student loans, scholarships and job assignments for graduates.

The SEC requires these institutions of higher learning to work out specific measures to ensure the training of talents badly needed by the country.

Considering the financial capability of Chinese families, the SEC said that the charges should not be too high.

It is learned that some 40 colleges and universities began to charge tuition fees last autumn. Every freshman, or one out of every ten students now pay 1,000 yuan to 1,500 yuan (about 119 to 178 US dollars) a year in tuition.

The amount of money is about one fourth of the annual income of a Chinese middle-class family.

Chinese college students used to be financially supported by the government and would be assigned jobs after graduation. The reform means giving students more opportunities to choose jobs.

The SEC re-stated that the reform goal is for most colleges and universities to enroll students according to the new system by 1997. All students will have to pay for their college education and find jobs themselves by the year 2000.

China Observes 'World Health Day'

OW0704141095 Beijing XINHUA in English 1345
GMT 7 Apr 95

[FBIS Transcribed Text] Beijing, April 7 (XINHUA)—The theme for this year's World Health Day, which falls today, is "Target 2000—a world without polio", which is aimed at accelerating progress toward the global eradication of polio.

The World Health Day this year focuses on activities in China. "This is encouragement and support for the efforts of this country in its eradication of polio," said State Councillor Peng Peiyun at the activities held here today to mark the World Health Day.

Dr. Hiroshi Nakajima, director general of the World Health Organization (WHO), and some other officials from international organizations and Chinese public health departments also attended the commemoration activities.

China used to have a high prevalence of polio, said Minister of Public Health Chen Minzhang. But since the development and application of polio vaccine in the early 1960s, the incidence of polio has been declining in China, said Chen.

He said the Ministry of Public Health has responded in a positive manner to the target set forth in 1988 by the WHO for the global eradication of polio, and formulated the "Program for Eradication of Poliomyelitis, 1988-1995."

In March 1991 Chinese Premier Li Peng signed the "World Declaration on the Survival, Protection and Development of Children" and the "Plan of Action for Implementing the World Declaration on the Survival, Protection and Development of Children", and made a commitment for the attainment of targets set forth in the documents. In 1992 the State Council promulgated the "National Program of Action for Child Development in China in the 1990s," in which the eradication of polio by 1995 was an important task to be fulfilled by governments at all levels.

According to Chen, the eradication activities have been going on steadily toward the established goal in China over recent years. Four rounds of national immunization day activities were organized in the period covering December 1993 to January 1995 for all children under the age of four. Chinese President Jiang Zemin and Chinese Premier Li Peng, and some other state leaders attended the national immunization day activities.

Dr. Hiroshi Nakajima commended China's efforts for the eradication of polio. "Conducting national immunization days effectively across China reflects the country's high level of commitment to polio eradication, and the excellence of its planning, training, supervision and evaluation abilities," he said.

China is the most visible and striking example in WHO's Western Pacific Region of a nation's determination to eradicate polio, said Hiroshi Nakajima. "It is showing the way for other countries in the world, demonstrating that, however difficult, eradication can be achieved, provided there is a will and the corresponding means are harnessed to meet the challenge," he said.

Statistics show that the incidence of polio in China in 1994 was 365 cases, a decrease of 32 percent compared with 1993.

Minister Chen called for all public health departments in the country to further strengthen epidemiological and laboratory surveillance, and make every effort to achieve the target of eradicating polio in China by the year 1995.

Science & Technology

Daya Bay Feeling 'Side-Effects' of Design Changes

HK0704105395 Hong Kong HONGKONG STANDARD
in English 7 Apr 95 pp 1, 2

[By Renato Reyes]

[FBIS Transcribed Text] The problems plaguing the Daya Bay nuclear power station could be the "side-effects" of design changes introduced for the first time on a French-designed plant.

The nuclear reactor supplier, Framatome, admitted that Daya Bay's reactors had "incorporated certain design changes".

The admission heightened fears that the problems might be more serious than initially thought.

Nuclear safety expert Ian Bright of the French-made Koeberg Nuclear Power Station, Daya Bay's sister station in South Africa, said: "I just hope that Framatome has not used Daya Bay as a theoretical testing ground of its new idea."

The changes introduced on Daya Bay included slightly different reactor internals and higher reactor coolant flow.

But Framatome spokesman Marie Carole de Groc said these design changes had been "intensively tested" before being implemented in Daya Bay.

"They have been implemented on the latest French nuclear power plants," she said.

But Framatome says no such problem has surfaced on other nuclear power units it supplied in France or abroad.

Jacques Pretti, senior technical nuclear adviser with the Hong Kong Nuclear Investment Co, which has a 25 per cent interest in the plant, said these design changes were introduced for the first time on Daya Bay.

A new series of French plants with maximum rated power of 1,400 megawatts [MW] received the same changes but they have yet to be restarted. The Daya Bay plant has a maximum rated power of 984 MW.

M. Pretti said there was a likely link between Daya Bay's problems and the changes.

"Otherwise, the same problem would have been found in 34 similar plants in France which had no similar design modifications," he said.

The gravity of Daya Bay's problem has prompted Xinhua News Agency, China's mouthpiece, to issue a statement that the National Safety Bureau, China's nuclear watchdog, would authorise restarting of the reactor only after it met safety requirements.

Seven control rods in Daya Bay's Unit I reactor, which form part of the safety mechanism, failed to drop into the reactor's pressure head within the specified time frame.

Plant officials first blamed this on surface abrasions on the seven rods. All 53 rods, which drop into the reactor to stop the nuclear reaction in an emergency, were replaced.

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However, the replacement rods, at the same location of the seven faulty rods, again failed the drop test.

French experts from Electricite de France, the plant operator, and Framatome are investigating the link between the higher flow rate of water which cools down the reactor and the problematic control rods.

Daya Bay's flow rate is 3.5 per cent higher than French plants. Framatome increased the flow rate to raise the plant's generating capacity.

Mr Bright said the increased flow rate could be putting pressure on the control rods.

Daya Bay, China's largest nuclear facility, situated 50 kilometres north of Hong Kong, has suffered 13 shut-downs since it opened.

One reactor has remained shut down since it underwent refuelling in December. The other reactor was also shut down for refuelling.

China To Set Up 1st High-Tech Conglomerate

*HK0704115295 Beijing CHINA DAILY in English
7 Apr 95 p 1*

[By He Jun: "Country Setting Up High-Tech Super Firm"]

[FBIS Transcribed Text] In a bid to improve the efficiency of the electronics industry, the country is setting up its first national high-technology conglomerate.

The core company in the planned conglomerate, which is to be called the China Great Dragon Telecommunication (Group) Corp (GDT), produces the HJD-04 series of large digital exchanges.

China realizes the importance of developing high-tech industries that can compete in the international market, said Ji Fusheng, deputy director-general of the State Science and Technology Commission's high-technology department.

"We hope the establishment of GDT will be the start of a drive into the world market and set a good example for the scientific and industrial communities," he said.

The new group has the support of the State Planning Commission, State Economic and Trade Commission, State Science and Technology Commission, Ministry of Posts and Telecommunications, and Ministry of Electronics.

The country's top leaders also are closely watching its formation.

The central government is to invest 383 million yuan (\$45 million) this year in technical upgrading at the core company Great Dragon Telecommunication Co, according to Wu Jiangxing, the firm's chairman and president.

Great Dragon aims to achieve an annual production capacity of 6 to 8 million lines by 1997, accounting for some 70 per cent of the predicted domestic demand by that time.

But the domestic industry is facing harsh competition.

Foreign companies and their joint ventures are selling their products in China 20 to 40 per cent cheaper than on the international market, Wu said.

The annual output of the joint ventures has far exceeded their planned capacity, leaving little room for the development of domestic manufacturers, he added.

UN Official on Telecommunications in Tumen Valley

*OW1004084895 Beijing XINHUA in English 0749
GMT 10 Apr 95*

[FBIS Transcribed Text] Changchun, April 10 (XINHUA)—Yanji city in northeast China's Jilin Province has become an international telecommunications hub in the Tumen River valley, according to a United Nations official.

Yanji, capital of the Yanbian Korean Autonomous Prefecture in eastern Jilin, has set an example in developing telecommunications for China's neighboring countries, Michael Underdown told an international meeting held in the city.

Underdown is a UN official responsible for Tumen valley telecommunications development.

In 1991 the UNDP [UN Development Program] announced that it would raise 30 billion U.S. dollars to develop the Tumen River delta on the borders between China, Russia and the Democratic People's Republic of Korea (DPRK).

Three conferences on promoting international telecommunications in the area have since been held.

In 1992 a digital microwave line was laid between Changchun, the provincial capital and Huichun, a border city in Yanbian.

By the end of 1994 Yanbian had program-controlled all the telephone lines in its eight counties, laid optical cables between all its posts and telecommunications bureaus, increased the switch-board handling capacity to 250,000 lines, and raised the telephone access rate to 7.7 percent.

Thirty digital lines have been installed between Huichun and a border crossing with Russia, and more telecommunications lines will be opened between Changchun, Huichun and two Russian cities.

Yanbian has already put into operation nine telecommunications lines with the DPRK.

In 1995 Yanbian will lay two more optical cables, one to extend into Russia, and the other into the DPRK, and it

will build a satellite ground station in the future. Now Huichun is constructing a modern telecommunications center.

In addition, two telecommunications exchange centers and an international exchange bureau will be established in the Tumen River valley linking China, Russia and the DPRK.

Scientists Present Data on Taklimakan Desert
OW1004084495 Beijing XINHUA in English 0701
GMT 10 Apr 95

[FBIS Transcribed Text] Beijing, April 10 (XINHUA)—Chinese scientists have collected enough data to challenge the reputation of the Taklimakan Desert, China's largest, as a "sea of death".

Comprehensive scientific expeditions to the hinterland of the Taklimakan since the 1980s have yielded a great number of flora and fauna, water resources and meteorological information, according to a conference on Taklimakan research results held here.

Taklimakan, a Uygur name meaning "a man can get in, but he can never return", is the world's second-largest shifting desert after the Sahara, covering 337,600 sq km in northwest China's Xinjiang Uygur Autonomous Region.

In 1988 the Chinese Academy of Sciences and the China Oil and Gas Corporation organized more than 100 experts to conduct a large-scale scientific survey of the desert, which was listed as a key scientific project in the national Seventh Five-Year Plan (1986-1990).

The expedition found that beneath the desert there exist 8,160 billion cu m of underground water, and three billion cu m in the southern Taklimakan can be tapped.

Surprisingly enough, the annual rainfall in the desert is 20 mm to 80 mm, much higher than the previous estimate of "less than 10 mm".

Meteorological data gained by two meteorological stations in the desert also show that the desert has not only sandstorms, but also fog, snow, frost, hail and dew.

The survey results proved that there are 73 kinds of plants and 277 species of animals living around and in the desert, and oases appear along the seasonal streams during the flood seasons. Some 2,000 ancient ruins of human habitation have also been found in the desert.

Scientists predict that global warming will bring the desert more water from the nearby snow-capped mountains, and thus cause the enlargement of oases.

However, people should make rational use of water when exploring for crude oil and natural gas, which have been found in huge reserves in Taklimakan, experts told the conference.

Military & Public Security

Luo Gan Stresses Crackdown on Abductions

HK1004073695 Beijing RENMIN RIBAO in Chinese
31 Mar 95 p 3

[By staff reporter Chen Guoqi (7115 0948 3823): "Luo Gan Says at Meeting of Some Provinces, Municipalities, and Autonomous Regions That the 'Crackdown on Abduction and Selling of Women and Children' Should Be Executed Well"]

[FBIS Translated Text] Shijiazhuang, 30 Mar (RENMIN RIBAO)—You must spare no effort in grasping the "crackdown on the abduction and selling of women and children" in your localities, in proceeding from the overall work arrangements by the whole party and country, in the spirit of being highly responsible to the masses. This emphasis was made by State Councillor Luo Gan, secretary general of the State Council, in his speech to the meeting of some provinces, autonomous regions, and municipalities on the crackdown on crimes relating to the abduction and selling of women and children, which currently is being held here.

The meeting has been convened jointly by the Ministry of Public Security, the All-China Women's Federation, and the General Office of the Central Commission for the Comprehensive Management of Social Order. The meeting has analyzed the current situation in the struggle, as well as the existing problems. It arranged this year's main duties in the "crackdown on the abduction and selling of women and children." At the same time, when he fully affirmed the marked results in the nationwide "crackdown on the abduction and selling of women and children" over the past several years—and especially since 1992—Luo Gan demanded that party committees and governments at all levels further upgrade their ideology and understanding, earnestly strengthen their organization and guidance of this work, and grasp the work in a determined manner so as to produce new results. He said that the broad masses of people wanted to see that the crimes of abducting and selling of women and children are severely cracked down on according to the law, and that they are protected so they can live peacefully and work happily. He said that we also are duty-bound to do this work. Luo Gan stressed that in the struggle against "the abduction and selling of women and children," the principle of "severe crackdown" must be upheld, and criminals who abduct and sell human beings must be severely and swiftly punished according to the law. Various regions and departments should closely coordinate efforts in the battle, and should implement comprehensive management measures. The organs at various levels—such as public security, procuratorate, law court, judiciary, civil administration, women's federation, Communist Youth League, propaganda, and finance organs—should fully discharge their own duties and functions; coordinate efforts; and organically integrate the "crackdown on the

abduction and selling of women and children" with administration, management, ideological and political work, cultural and propaganda work, education, moral norms, housing, employment, and change of habits and customs; so as to proceed in a coordinated manner and let the work resemble a "game of chess" throughout the country.

***Military Leaders Pledge Support for Shenzhen**
95CM0163A Shenzhen SHENZHEN TEQU BAO in
Chinese 21 Jan 95 p 1

[Article by Zhang Yutang (1728 1342 1016) and Ou Xiji (2962 4798 5468): "Shenzhen Leaders Visit Troops"]

[FBIS Translated Text] General Li Xilin [2621 1585 2651], commander of the Guangzhou Military Region, told a delegation despatched from Shenzhen to convey greetings and appreciation during the Spring Festival recently: "The leading organs of the Guangzhou Military Region as well as its officers and men will fully support the development of Shenzhen as a national double-support model city." He said: "Units stationed in Shenzhen as well as air, naval, and land forces in the Guangzhou Military Region must do a good job standing guard to serve Shenzhen's reform, openness, and modernization."

Led by Li Youwei [0632 2589 3634], mayor and secretary of the Shenzhen CPC committee, and Li Zibin [2621 1311 1755], vice mayor and deputy secretary of the committee, the delegation paid a special visit to Guangzhou to convey greetings and appreciation to the Guangzhou Military Region on the afternoons of 19th and on 20th. It visited its leading organs, the Guangzhou naval base, and the headquarters of the Guangdong Military District, the provincial military police and provincial frontier forces, conveying to them the profound feelings of the people of the special economic zone [SEZ] for their own army. The whole delegation met with Gen. Li Xilin and Gen. Shi Yuxiao [0670 3768 1321], commander and political commissar of the Guangzhou Military Region, respectively; Lieutenant Gen. Zhou Yushu [0719 3768 2579], and Lt. Gen. Tao Baijun [7118 0130 6874], both deputy regional commanders; Lt. Gen. Zhao Bingyao [6392 3521 5069], political commissar of the Guangzhou air force; Major Gen. Zhang Zhensheng [1728 2030 4141] and Maj. Gen. Hu Junkang [5170 6511 1660], commander and political commissar of the Guangzhou naval base, respectively; Maj. Gen. Wen Yuzhu [3306 3768 2691] and Maj. Gen. Liu Yuanjie [0491 6678 4634], commander and political commissar of the Guangdong Military District, respectively; and other military leaders including Wen Guoqing [2429 0948 1987], Wang Tongzuo [3769 0681 3820], Liu Shutian [0491 2579 3944], Gong Gucheng [7895 6253 2052], Zhang Guochu [1728 0948 0443], Chen Tianlin [7115 3240 2651], Jiang Yizi [1203 1355 6327], Cen Hua [1478 5478], Xie Youmin [6200 0645 3046], and Zhang Xiyun [1728 0823 0061], all major generals; and

Sun Kexiong [1327 0344 7160] and Xu Zixiang [1776 1311 0078], both senior colonels.

During the meeting, Li Youwei remarked that there were new achievements last year in the joint effort by the military forces, the police, and the militia in Shenzhen to build a spiritual civilization. Each and every one of the 10 undertakings jointly organized by the military and the locality was successfully carried out. As a result, Shenzhen was named the province's "double-support model city." The troops have contributed enormously to maintaining the SEZ's stability, to disaster relief, and to preserving social law and order.

Gen. Li Xilin congratulated Shenzhen on its outstanding performance in building the two civilizations and in double-support work. He also thanked the city for the support it had given to the troops in many ways. He asked the forces stationed in Shenzhen, governments at all levels, and the people to further deepen reform and the open policy and join forces to accelerate the construction of the two civilizations in Shenzhen to make the SEZ a bigger success.

The delegation hosted a tea party and gave an informal dinner at White Swan Hotel last night to thank the troops and other local leaders. It also presented the various units with monetary gifts as a token of its appreciation. Li Youlie [2621 0645 3525], a member of the standing committee of the Shenzhen CPC committee and commander of the Shenzhen garrison headquarters, Vice Mayor Li Guangzhen [2621 1639 6966], and others also took part in these activities.

***Shenzhen Civilian Delegation Meets Local Military**

95CM0163B Shenzhen SHENZHEN TEQU BAO in
Chinese 27 Jan 95 p 1

[Article by Liu Hua (1675 5478): "Departments Welcome New Year by Saluting Troops"]

[FBIS Translated Text] The management bureau of the Futian tax protected zone, the municipal petrochemical company, the municipal Xihu Enterprise Development Company, and the municipal native products, livestock products, and tea leaves import/export company visited Unit 53300 stationed in Shenzhen yesterday afternoon to convey their greetings and appreciation. They presented the unit with a monetary gift of 120,000 yuan as a token of their appreciation and hosted an evening party for the troops.

The delegation arrived at the base where the unit is stationed at 1730 and was warmly welcomed by Major General Liu Zhenwu [0491 6966 2976] and Maj. Gen. Xiong Ziren [3574 5261 0088], commander and political commissar of the unit, respectively, and all the personnel at the base. At the "Military-Civilian Welcome-Spring Forum" afterward, leaders of the four departments involved all delivered speeches praising Unit 53300's outstanding contribution in harnessing the Buji He, in

cleaning up Fuqiang Road, and in the joint military-civilian drive to build a spiritual civilization, and sent New Year greetings to all officers and men. On behalf of all officers and men in Unit 53300, Maj. Gen. Xiong Ziren expressed his gratitude to all quarters in Shenzhen for their caring and deep love. He said that the unit was part of Shenzhen, that Shenzhen's colossal achievements in economic construction were also the unit's glory, and that the unit would do its part for the creation of a double-support model city.

Serial Details Kunming Blast Probe

HK1004030095

[FBIS Editorial Report] Kunming Yunnan People's Radio Network in Mandarin, in its 1000 GMT casts for 17-23 March, broadcast a serial report by staff reporters Yang Hong and Yu Wenbing on the successful investigation into an explosion at the Kunmin Department Store. The series was entitled: "The Graceful Demeanor of the Guards of the Spring City."

The first installment, entitled "The Spring City's Tranquility Shattered by the Explosion" was broadcast on 17 March and ran for two and one-half minutes. It stated that the Kunming City Public Security Bureau succeeded in solving the case of an explosion at the Kunming Department Store, which had shocked the whole country.

On 14 January, the downtown department store was packed with Spring Festival shoppers. At 1615, a costume showcase on the second floor exploded. Minutes later, a plastic flask showcase on the first floor also exploded. One person was killed, and 80 more were injured. The blast caused the Kunming Department Store more than 9 million yuan in direct and indirect economic losses, and forced it to suspend operations for seven days.

The explosion caused great concern among leaders of the provincial and city party committees and governments, including Linghu An, deputy secretary of the Yunnan CPC Committee; Yang Jianqiang, member of the provincial party committee standing committee and party secretary of Kunming; Vice Governor Dai Guanglu; and Kunming Mayor Wang Tingchen; all of whom rushed to the scene to arrange rescue operations and an investigation. Early the next day, provincial party committee Secretary Pu Chaozhu called an emergency meeting at his home to listen to the reports presented by such leaders as Yang Jianqiang, Dai Guanglu, and Wang Tingchen.

Pu Chaozhu also went to hospitals—along with such provincial and city leaders as He Zhiqiang, Linghu An, Liang Jinquan, and Yin Jun—to call on people wounded in the explosion. At (Kunhua) Hospital, an injured woman from Hunan told Pu: I have never thought of such happenings; we are too innocent. Pu held her hands and said with a heavy heart: "It is very sad that such

things happen, and every one of us was caught by surprise. But please rest assured that we definitely will do what we can to cure you. We also will go all-out to solve this case, and will punish the criminals severely." At Kunming's Red Cross Hospital, Governor He Zhiqiang told the wounded: "The provincial government will take every measure to solve the actual problems of the wounded."

Officers of the Kunming City Public Security Bureau took prompt action. They said: "Even if we must go to the remotest corners of the earth, we must catch the criminals so as to avenge the people's suffering."

The second part of the serial, entitled "The Culprits Were Verified in Three Days" was broadcast on 18 March and ran for four minutes. It related that shortly after the explosion, public security policemen went into action to track the culprits. They invited famous experts to join the investigation, and obtained important information from 320 people. A store assistant said that before the explosion occurred, two worker-like customers had come to buy clothes. One of them had placed a handbag in the corridor. Another store assistant reminded the two customers of the bag, but they ignored the assistant and left. Several minutes later, the explosion occurred.

On the morning of 17 January, the defense unit of a group army informed the Kunming City Public Security Bureau of an important clue. After this, public security personnel went to a factory looking for a worker named Liu Jinling, who revealed that a native of Henan had asked him to help blow up the department store on 11 January for the purposes of robbery, but he had refused. The Henan man then asked another worker named Zhao Guolin, who promised to help blow up the department store, but did not go on 11 January. Liu Jinglin confirmed that the Henan man possessed explosives and a timer. Zhao Guolin claimed that he had told factory director Li Xuexiang about the two culprits' plan to blow up the department store, but the factory director did not inform the public security bureau. The facts suggested that two culprits were the organizers and perpetrators of the explosions. Public security institutions issued a wanted notice throughout the province, and the Ministry of Public Security issued a nationwide wanted notice. This explosion case was solved only three days after it occurred.

The third segment, entitled "An Important Clue Found in Northeast China," was broadcast on 19 March and ran for six minutes. It disclosed that the two culprits' names were verified as Yuan Kaiquan and Song Xianwei, whose whereabouts remained unknown. It had been said that Yuan Kaiquan had thought of going to Yiliang County to stay in a Henan engineer's home, so Yiliang became the focus of the investigation. Public security policemen conducted a thorough check on the entire county for 11 days, but to no avail. Investigations continued in Inner Mongolia and Heilongjiang, but

remained fruitless. Finally, on 29 January, Yuan made a long-distance telephone call from Guangzhou to his native place in Heilongjiang, which made the Kunming City Public Security Bureau send an 18-member arrest team to Guangzhou, where they checked hotels, inns, restaurants, and labor markets, but still could not discover his whereabouts.

The fourth installment, entitled "The Criminals Fell Into the Net of Justice," was broadcast on 20 March and ran for four minutes. It explained that the dense population of Guangzhou caused many difficulties in capturing the criminals, but that the arrest team was strongly supported by the Guangzhou authorities. On 24 February, the Guangzhou City Public Security Bureau circulated large copies of the wanted notice, and asked administrative departments in the Zhu Jiang delta to assist the arrest team. The arrest team formed four groups stationed on Guangyuan Road, where Yuan Kaiquan had made two long-distance calls. On the afternoon of 11 March, two policemen named Wu Jianmin and Liu Xianwen, together with Liu Jinling—the Kunming worker who had been approached to participate in the bombing, but had refused—were walking along the road. Two migrant workers approached them, driving a cartload of bricks. Liu Jinling, feeling one of the men was familiar to him, nodded and smiled; the workers did the same. After walking a few steps, Liu Jinling recognized that the two workers were Yuan and Song. At this moment, Yuan and Song immediately took to their heels in two different directions. Wu started chasing Yuan, and arrested him after a fierce fight, and without the help of those looking on. At the same time, Liu Xianwen, regardless of the heavy traffic on the road, grabbed Song and tied him up.

The fifth segment, entitled "The Criminals Had Committed Heinous Crimes," was broadcast on 21 March and ran for six minutes. It recounted that the explosion at the Kunming Department Store caused serious harm to 81 innocent people, one of whom was a 14-year-old female student, who died on the spot. The explosion cast a shadow over social stability. After Yuan and Song had been arrested, they were sent immediately to the Guangzhou City Public Security Bureau for questioning. Yuan and Song related the entire process of how they committed their crime. During the explosion, Song robbed the second-floor cashier of 400 yuan and left the scene at once, but Yuan was outside the department store and could not squeeze in because customers were running out of the store in panic. Finally they met somewhere and

equally shared the 400 yuan. On the second day, they boarded a train for Guangzhou, where before long, they had used up all the money. Using false names, they took up temporary jobs. Yuan admitted that they were planning to blow up the Guiyang Department Store for the purposes of robbery because the 400 yuan they had stolen was far from adequate. Their arrest, however, put paid to their plans.

The sixth part, entitled "The Guards of the Spring City Triumphant Return," was broadcast on 22 March and ran for five and one-half minutes. It stated that Linghu An, deputy secretary of the Yunnan Provincial CPC Committee, told an assistant to inform Secretary Pu Chaozhu and Governor He Zhiqiang, who were both attending the Third Session of the Eighth National People's Congress in Beijing, of the arrest of Yuan and Song. An escort team headed by Fan Quan, deputy chief of the Kunming City Public Security Bureau, left Kunming for Guangzhou on 12 March. On 14 March, Yuan and Song were flown back to Kunming by this fully armed escort team.

The seventh and last installment, entitled "The Case Gives Much Food for Thought," was broadcast on 23 March and ran for six and one-half minutes. It outlined the lessons to be learned from the incident, opining that the relevant department must show earnest concern for the employment issue. Public security institutions, labor departments, and commercial departments must conduct screenings of the illegal employment of unlicensed migrant workers in order to remove instability factors. In addition, crimes must be reported to the authorities immediately, instead of following factory director Li Xuexiang's bad example. Management over explosives also must be strengthened, and especially serious bombing cases must be announced openly so as to avoid speculation, which causes much passivity in work. In conclusion, the report stressed everyone should heighten their awareness so as to achieve better social order.

Correction to Hunan Leader Discusses Militia **HK1004073095**

The following correction pertains to the item headlined "Hunan Leader Discusses Militia, Reserve Forces," published in the 7 April China DAILY REPORT, page 38.

Column two, paragraph three, only sentence make read: ...party committee and first secretary of the party committee of the provincial military district,... (changing Wang's military title).

General

Wang Hanbin Inspects Fujian, Meets Leaders

HK1004050095 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 30 Mar 95

[FBIS Translated Excerpt] Wang Hanbin, alternate member of the CPC Central Committee's Political Bureau and vice chairman of the National People's Congress, is currently inspecting work in Fujian. Yesterday afternoon [30 March], he held discussions with the relevant leaders attending the Third Session of the Eighth Fujian Provincial People's Congress, during which he stressed: Fujian must further strengthen the construction of its infrastructural facilities, do a good job in matters relating to overseas Chinese and Taiwan compatriots, widen the scope of openness to the world, and expedite its economic development. [passage omitted]

During the discussions, Jia Qinglin [provincial party committee secretary] and Yuan Qitong [vice chairman of the provincial people's congress] reported to Comrade Wang Hanbin on the work of the provincial party committee, the provincial government, and the provincial people's congress standing committee. After listening to their reports, Comrade Wang Hanbin fully confirmed Fujian's achievements since the introduction of reform and opening up, and particularly in recent years, and expressed his hope for Fujian's faster economic development, saying: Fujian enjoys broad development prospects, faces Taiwan, and has relations with large numbers of Chinese residing abroad and of overseas Chinese. These are its strongest points. In the course of widening the scope of openness to the world, Fujian must bring these strong points into full play.

In particular, General Secretary Jiang Zemin made an important speech on the Taiwan issue on the eve of this year's Spring Festival. Fujian has gained a rare, historical opportunity, and it must strongly develop Fujian-Taiwan economic and trade relations and exchanges, and contribute to the development of cross-strait relations. In the meantime, Fujian must expedite the construction of its airports, ports, harbors, highways, and other infrastructural facilities; must strongly develop technology-intensive industries; must effectively improve its intangible environment; and must create better conditions for Taiwan and foreign investors.

State Planning Council Inaugurates Economic Paper

OW0804070695 Beijing XINHUA in English 0640 GMT 8 Apr 95

[FBIS Transcribed Text] Beijing, April 8 (XINHUA)—A new Chinese language newspaper focusing on economic information was inaugurated by the State Planning Commission today.

The "CHINA ECONOMIC HERALD" will be published twice weekly, serving both domestic and overseas readers.

A senior editor of the Herald said that the State Planning Commission enjoys the advantage of obtaining information on the State's economic policies regulations and on the overall situation of the national economy.

The newspaper will make full use of the advantage and disseminate economic information correctly and timely, the editor said.

Chief of Exchange Control Administration Replaced

HK0804080295 Hong Kong EASTERN EXPRESS in English 8-9 Apr 95 p 1

[By Wang Xiangwei]

[FBIS Transcribed Text] Zhu Xiaohua, once a rising star and protege of China's economic tsar, Zhu Rongji, has been removed as the chief of the powerful State Administration of Exchange Control. Banking sources said the move may well herald a shift in the country's foreign exchange policies.

Zhu has retained his title as the deputy governor of the People's Bank of China—the country's central bank—but recently relinquished his foreign exchange job to Zhou Zhengqing, another deputy governor of the bank.

Although the official reason for the reshuffle is unknown, banking sources said yesterday that Zhu's removal was partly political and partly due to his management of the country's foreign exchange regime. He was appointed deputy governor of the central bank after his mentor, the executive vice-premier, Zhu Rongji, became the bank governor in 1993.

Previously, Zhu Xiaohua was the deputy director of economic affairs at the New China News Agency (Xinhua) in Hong Kong. He then became the deputy chief of the Shanghai branch of the central bank, where he worked closely with Zhu Rongji, the mayor of Shanghai, in the late 1980s.

Lauded as a rising star by the media, Zhu Xiaohua was last year said to be Zhu Rongji's choice for the post of central bank governor. But in the past few months the Beijing banking community speculated that Zhu Xiaohua had fallen from favour. Yesterday, officials from the State Administration of Exchange Control and the People's Bank of China were unavailable for comment.

Banking sources said that Zhu was in charge of the country's foreign exchange reform, which began at the start of 1994 when multiple exchange rates were unified and Chinese firms were forced to surrender all foreign exchange earnings to designated Chinese banks. One result is that China's foreign exchange reserves more than doubled to US\$51.6 billion (HK\$402.4bn) by the end of 1994.

However, Chinese exporters complain about the strength of the renminbi which, along with high domestic inflation, may erode their competitiveness in overseas markets. China's open-ended purchases of US dollars on the

domestic market, which amounted to about 284.33 billion renminbi (HK\$260.85bn) last year, vastly increased the money supply, conflicting with domestic monetary restraint policies.

Many Hong Kong-based China economists now expect Beijing to adopt a more flexible foreign exchange policy.

Mineral Resource Law To Be Reformed

*HK0704115395 Beijing CHINA DAILY in English
7 Apr 95 p 2*

[By Yang Yingshi: "Steps Aim To Promote Mineral Exploration"]

[FBIS Transcribed Text] The government has vowed to strengthen the legal framework and introduce reform to promote effective mineral resources exploration.

Steps should be taken to protect the State's ownership of mineral resources while implementing in-depth reform to make the industry more market-oriented, Song Ruixiang, Minister of Geology and Mineral Resources, said yesterday.

The ministry is trying to speed the amendment of the Mineral Resource Law, Song said at the closing ceremony of a three-day national conference in Beijing.

The law came into force in 1986 and is failing to keep up with the pace of reform and opening up, he said.

The amendments are expected to add provisions on the transfer of rights to explore and develop mineral resources, the legal status of private mines and foreign-funded mines.

To permit the further opening up of the industry, regulations on foreign-funded exploration and development of mineral resources have been submitted to the State Council for approval.

Song also called for further improvement of the registration system for mineral resources exploration.

The industry has suffered in recent years from uncontrolled over-mining and an outdated management system.

By the end of last year, 99 per cent of the 10,042 State-owned mines had received government certificates permitting them to develop mineral resources.

But many more private mines remained a problem because of lack of control.

Last year alone, the ministry dealt with 11,000 cases of illegal exploration.

The minister called for speeding reform in the mineral resource exploration sector to promote efficiency and meet the needs of surging economy.

China has more than 400,000 geologists whose exploration work has been supported by the limited funds from the central government.

The situation is expected to improve with the establishment of two new bodies and changes in the role of the staff.

The ministry has set up a Geology Investigation Bureau to guide the geological exploration staff funded by the central government, called the "field army."

The ministry plans to establish the China Geology and Mineral Resources Corp Group to guide the "local forces."

NPC Committee Drafts Law To Manage State Assets

HK1004065095 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 9-15 Apr 95 p 8

[By Ding Xuemei: "Committee Drafts Law on Assets"]

[FBIS Transcribed Text] China is drafting a Law on State Property to provide legal means to manage State assets.

It is expected to take effect next year, Xie Cichang, director of the Policy & Regulation Department with the State Administration of State Property [SASP], told Business Weekly.

He said that the law will cover all the aspects of State assets.

"Preparatory work started last January, and investigation at home and abroad has been completed," Xie said.

The principle was approved to last month by the NPC Financial and Economic Committee, which is in charge of drafting the law.

The drafting group is looking into detailed items and the first draft will be completed this month.

Meanwhile, the country has authorized Shanghai, Shenzhen and Shaanxi Provinces to lay out a draft.

"This is a bid to absorb all useful ideas and make the law practical and more effective," Xie said.

In October and December, the NPC Standing Committee will discuss the law and make proposals.

After revising the draft, the bill was submitted to the National People's Congress in March.

As China speeds its economic reform, especially that of State enterprises, management of State assets is becoming more important.

However, not until the Third Plenary Session of CPC's 14th Central Committee in November 1993, were some basic principles of State assets defined, Xie said.

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At that session, it was decided that the government's functions as the administrator of social and economic life and as the owner of State assets should be divided.

It was also decided that ownership rights of State assets and enterprises' corporate property rights should be divided.

That means the owner of State assets has the right to choose a manager, to make a profit from the assets and to make important decisions.

Xie said that some managers of State assets often make important decisions without authorization, resulting in loss.

So, policies from the session provided a theoretical basis for management of State assets, Xie said.

Session resolutions are important foundations for drafting the Law on State Property.

Drafting is also based on the experience of previous regulations and rules on the management of State assets.

Since its establishment in 1988, SASP has mandated dozens of regulations and rules concerning the checking of State assets, definition and registration of property rights, assets appraisal and disputes of property rights, Xie said.

Last year, the administration stated 10 regulations and rules, six of which have been adopted.

SASP will stipulate 10 other regulations and rules, Xie said.

Of those, management regulations on the registration of State property and the revised rules on appraising State assets have been submitted to the State Council.

Others involve penalties for the loss of State assets, regulations on managing overseas State property and rules on managing State assets in Sino-foreign enterprises, Xie said.

Official: Fires Affecting Nation's Economic Growth
OW0904145895 Beijing XINHUA in English 1442
GMT 9 Apr 95

[FBIS Transcribed Text] Beijing, April 9 (XINHUA)—Repeated fires over the past years, which caused severe losses of lives and property, have attracted the close attention of the central government.

According to a national conference on fire control which opened here today, major fires are now hindering China's economic growth to a certain extent.

Mou Xinsheng, Vice-Minister of Public Security, told these to provincial heads of securities and directors of fire-fighting bureaus.

He said that the stern situation reflected that the country's fire control capacity has been lagging behind economic and social development for a long time.

China reported a total of 40,000 fires last year, which claimed 2,600 lives, injured more than 4,000 people and caused damages worth 1.2 billion yuan.

In his speech, Mou blamed some local officials and enterprises for not handling well the relations between economic development and fire control, which resulted in worst calamities in cities like Jilin, Fuxin and Karamay last year.

Many citizens have a weak sense of fire control and lack the knowledge and skill of fire fighting. Many local departments and enterprises have failed to abide by fire control regulations and laws and some fire fighting facilities are not in sound condition, he noted.

"If these problems are not solved well, it will be impossible for the country to have a relatively strong capacity of combating fires and fire threat to people's lives and economic development cannot be eased," he warned.

He urged officials to enhance their work on fire control, improve fire fighting facilities and train more specialized fire-fighting personnel in a bid to raise the capability of erasing major fires in a short time.

An outline on the reform of fire control and economic development, issued recently by the State Council, stipulates that fire control should be made into the overall plan of national economy and social development. According to the outline, China's capability of fighting against fire should reach the medium level of the world by 2010.

China now has a total of 220,000 professional fire fighters, who consist of fire police and special personnel in enterprises and departments. A total of 233 fire policemen died during their combat of fires over the past decade, according to previous reports.

Five-Year-Plan Urges Scrapping 1.8 Million Cars
OW1004095495 Beijing XINHUA in English 0836
GMT 10 Apr 95

[FBIS Transcribed Text] Beijing, April 10 (XINHUA)—During the Ninth Five-Year Plan period (1996-2000), China will scrap at least 1.8 million old automobiles, according to sources from related departments.

An official from the National Leading Group for Replacing Old Automobiles said that by the end of this year the target of eliminating one million old automobiles during the Eighth Five-Year Plan (1991-1995) will be easily fulfilled.

Statistics show that by the end of last year China had some nine million civilian-use automobiles, of which some 2.1 million are ripe for scrapping.

According to the state's plan, the elimination will be gradually increased during the Ninth Five-Year Plan (1996-2000): 300,000 old automobiles will be eliminated each in 1996 and 1997; 350,000 in 1988; 400,000 in 1989; and 450,000 in 2000.

Sources said that the leading group has demanded that related departments at various localities carry out an overall investigation on the conditions of the existing automobiles. Those which have reached the indices for scrapping or have been running since 1985 will be listed into the elimination plan.

Statistics Bureau Reports 'Marked Growth' in State Firms

HK1004061795 Beijing CHINA DAILY in English
10 Apr 95 p 1

[By Wu Yunhe: "State-Run Firms See Marked Growth"]

[FBIS Transcribed Text] The ongoing reform focusing on improved economic efficiency is paying off for many State-run firms, the State Statistics Bureau said.

State factory output grew by 10.9 per cent over last year, according to a monthly report released by the bureau yesterday. They chalked up an incremental output value of 92.5 billion yuan (\$11 billion).

This was the first time in the past few years that the production of the country's State firms registered double-digit growth on a year-on-year basis, bureau economists say.

China's non-State firms also have been gearing up their production.

The bureau said that during the first quarter of this year Chinese factories as a whole saw their incremental output value reach 399.6 billion yuan (\$47.6 billion), up 14.4 percent from the same period last year.

In March alone, the country's industrial sector as a whole recorded a production growth of 16.4 percent on a year-on-year basis—up from the 13.5 percent seen through the first two months this year.

Increased industrial production in China was a sign of the industry's confidence in the future of the country's market and economic development, bureau officials said.

Officials noted that a swelling consumer demand for light industrial goods, such as durable electrical appliances, was prompting the factories to gear up production.

During the first quarter of this year, China's light industry saw its incremental output value reach 169.4 billion yuan (\$20.2 billion), up 20.2 percent from the same period of last year.

But the heavy industry, in comparison, only racked up a year-on-year growth of 10.1 percent to fulfill an incremental output value of 230.2 billion yuan (\$27.4 billion) in the first three months.

Bureau officials attributed the improved sales of industrial goods to the development of more new products.

During the first quarter of this year, the output value of new products turned out by Chinese firms increased 37.7 percent from the same period a year ago.

The development has not only promoted the sales of industrial goods, but also helped cut down factories' inventories, bureau economists say.

During the January-March period Chinese factories sold more than 94.4 per cent of their products, up 3.09 percentage points as compared with the same period last year.

But some Chinese firms, including State-owned ones, were still plagued by mounting liabilities as well as shortage of working capital, bureau economists said, adding that they still have a long way to go to reform their management structure.

New Regulations for Barter Trade Published

OW0804115295 Beijing XINHUA in English 1142
GMT 8 Apr 95

[FBIS Transcribed Text] Beijing, April 8 (XINHUA)—China's Ministry of Foreign Trade and Economic Cooperation has recently published a new regulation guiding the country's flourishing barter trade, which runs as follows:

All goods are open for barter trade except grains, tungsten ores, crude oil and end oil products, the export of which should still be applied for approval.

According to the regulations, as quoted by the latest issue of "China Chemical Week", during the Eighth Five-Year Plan period (1991-1995), all barter trade goods and goods for economic and technical projects (productive or nonproductive) are open for free trade in principle and no limitation shall be imposed on the originated countries from which these goods are imported.

The paper said that the import quotas will be no longer assigned to trading enterprises but import approval procedures and application for import license will be necessary.

All enterprises which are entitled to have the rights for barter trade can do trade business all by themselves. Goods imported through barter trade must be produced in the originated countries. They should not be the goods transferred from other countries, the paper said.

Government To Direct Aid to Central, Western Areas

HK1004073295 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 9-15 Apr 95 p 2

[By Li Yan: "Aid Directed to Poor Areas"]

[FBIS Transcribed Text] As part of increased efforts to promote development in the country's vast central and western areas, those areas will get priority for international aid.

Sectors of extreme importance to national economy such as agriculture, infrastructure, and low-pollution industrial programmes, are also the preferential targets of the donations, said Zhang Guanghui, director general of the China International Centre for Economic and Technical Exchanges.

CICETE, under the auspices of the Ministry of Foreign Trade and Economic Co-operation, is responsible for allocating the donations from the United Nations Development Programme (UNDP) and International Non-governmental Organizations (INO).

Since 1979, CICETE has received more than \$400 million in donations involving over 500 aid and cooperative programmes in almost every sector except military, he said.

One of the major co-operative programmes goes to systematic construction and registration for market reforms, said Zhang.

Since the initial move to set up a market economy, the UNDP has sent experts to China to work with governmental bodies on 23 market-economy laws.

The UNDP has also sent experts to give lectures and seminars on market-economy systems, such as finance, stocks, futures, taxation, industry, commerce, overall economic control and social welfare.

As part of the co-operative programmes, China has sent government employees and entrepreneurs to the developed countries to research on market economy, Zhang said.

Another major co-operative programme is on technology introduction.

To date, the UNDP has co-operated with more than 100 research centres and institutions. With the adoption of new technologies, the variety and production of farm and domestic animal products have been greatly improved, said Zhang.

Poor and remote areas also receive donations and aid programmes. Areas include the Yimeng Mountain Area in Shandong Province, one of the nation's most impoverished areas.

The aid has gone to planting, animal breeding, drinking water, and medical and health sectors.

The women's training programme in the Yimeng Mountain Areas, for example, has granted job opportunities to over 4,000. The silk and cotton carpets they produced had an export value of more than 26 million yuan (\$3.1 million) last year.

More aid programmes will be introduced to Central and Western China, for example, to solve crop shortages in Tibet, to divert water from Tianshan Mountain to the arid Xinjiang Uygur Autonomous Region, Zhang said.

RENMIN RIBAO Sees Stagflation as 'Unlikely'
HK100-065295 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 31 Mar 95 p 2

[By Wan Donghua (8001 2639 5478): "Will China's Economy Move Toward 'Stagflation?'"]

[FBIS Translated Text] In February, China's national economy cooled down to a certain extent in several aspects including production, construction, circulation, and prices and the economic operation as a whole moved closer to the objective of macroregulation and control. However, some symptoms of new tendencies worthy of attention also emerged. The main one was that the fall in production was clearly faster than that of prices. The forecast and early warning system of the macroeconomy showed that after the seasonal readjustment, the industrial growth speed had fallen from the "overheated" growth zone, which lasted 10 months, to the "steady growth" zone. However, although the rate of market commodity prices decreased to a certain extent, the situation of rising prices was sustained. The overall level of prices remained high and it was difficult to lower this. Will a situation of "stagflation" emerge in China's economic development in which the economy grows at a low or slow speed and even becomes stagnant while the level of commodity prices remains at a high level if this trend continues to develop? In answer to this, we think that the possibility of "stagflation" is unlikely but the contradictions and pressure encountered will still be quite conspicuous.

First, let us analyze why commodity prices remain at a high level at present and why it is difficult to bring this down. Generally speaking, this is a delayed effect of price readjustment by means of policies which continued for several years and is the outcome of the comprehensive action of many factors, including the gradual release of the accumulated pressure caused by the demand in investment and the increase in money supply by a big margin in the past few years and the nonstandardized market order. This is also related to the present specific stage wherein China is speeding up the change to the market economy, the improvement in price relationship, the convergence with the international economy, and the realization of a relatively well-off level in the economy. Evidently, high commodity prices in the present stage in China are characterized to a certain extent by rigidity and it is difficult to bring them down within a short period. Besides, the government has not used "heavy dosage" in the course of controlling inflation and has avoided taking "slamming on the brakes" type measures which may do harm to the essential parts of the economy. Instead, it has chosen a "soft landing" approach, which is relatively more moderate and gives consideration to both growth and stability. While maintaining a steady economic growth, the difficulty in the regulation and control of commodity prices has also increased. However, this does not indicate that the market commodity prices will always operate at a high level this year. According to comprehensive analysis based on the general laws of economic operation and many other factors, the basic trend of commodity prices this year is: Commodity prices will continue to operate at a high level in the first half of the year but are expected to fall in the latter half of the year. Through our efforts, it is hoped to realize the government's goal of regulation

and control this year. This conclusion is drawn on the following fundamental bases:

1. The delayed period of commodity prices is generally from eight to 10 months. Since the central authorities regarded control over inflation as the most important objective of regulation and control in September last year, efforts made by various quarters have started to produce an effect. It is expected that the effect will become more evident in the second half of the year and that the rate of increase in commodity prices may lower by about 10 percent.

2. The central authorities have regarded curbing market commodity prices and curbing inflation as the most important tasks in macroregulation and control in 1995. Most localities have instituted the "chief executive responsibility system" in the management of commodity prices.

3. The position of agriculture will be strengthened. With the lesson drawn from 1994, governments at various levels have universally paid greater attention to agriculture. On the other hand, raising grain and cotton prices by a big margin in 1994 has increased the peasants' interest in farming to a certain extent. Sampling investigation data shows that the area for growing grain, cotton, and sugar this year will be bigger than last year. If everything goes well, the situation whereby the supply of agricultural produce is on the short side will ease up to a certain extent.

4. In 1995, the content of new readjustments on commodity prices and the impact of various major reform measures on commodity prices will be far less than last year. The impact of the reform of the taxation system and exchange rate last year on commodity prices will gradually disappear.

5. The government has decided to continue to pursue a tight finance and monetary policy, to exercise strict control over the overall scale of investment in fixed assets and over the new construction projects, and to raise appropriately the interest rates for bank loans. These measures will be conducive to reducing the pressure of inflating demand and to stabilizing commodity prices.

6. With the exception of a small number of commodities, the supply and demand of the overwhelming majority of commodities are basically balanced. The residents' state of mind regarding consumption is stable. Bank savings have increased by a big margin in a sustained manner.

Of course, we must also soberly understand that the difficulties in regulation and control should not be underestimated. The delayed effect of the high rate of increase in commodity prices last year is great. On the other hand, because some localities have a relatively poor understanding of the harmfulness of inflation and think that "low commodity prices will cause them to suffer losses." They often hope to remedy financial

deficits, enterprise losses, and shortage of construction funds by means of raising commodity prices and have a strong demand for readjusting commodity prices. Besides, macroregulation and control, and price management in particular, lacks effective means. Phenomena of raising commodity prices at random, irrationally collecting fees and charges, and so on should be dealt with through standardization.

Viewed from economic growth, that the industrial growth rate decreased appropriately in February was something expected and this is in keeping with the fourth periodical contraction cycle and with the government's efforts to strengthen macroregulation and control. Viewed from the trend of development, so long as the present strength of control is maintained, the national economy during the whole year will, on the whole, maintain an appropriate growth and will not fall into the trap of "stagflation." This is not only because China's economy has a powerful intrinsic expansion force but also because China has the foundation and conditions for maintaining an appropriate growth rate of the national economy following the more effective reform, opening up, development, regulation, and control over the past few years: The role of radiation and the demonstration of prioritized growth in coastal areas in the eastern part has apparently been strengthened. The percentage of contribution from the nonstate-owned economy, which has grown vigorously and which has great ability to deal with market changes, to the growth of the entire national economy has apparently increased, accounting for nearly 60 percent in industry. The large-scale investment and construction in the past few years have enabled the output of major products and the supporting strengthen of infrastructure to increase. Successful reforms in the structure of foreign exchange and foreign trade and the increase in foreign businessmen's direct investment in China have increased the dependence of China's economy on the outside world and have added vitality to the development of China's economy. Measures to strengthen macroregulation and control since the latter half of 1993 have relatively eased up the environment of supply and demand in energy sources, raw materials, and transportation and have laid a good foundation for supporting the growth of China's economy in 1995.

The analysis above shows that the phenomenon in current economic life of a relatively fast fall in production and the maintenance of commodity prices at a high level is temporary and does not represent a long-term trend. Viewed from the whole, the possibility of the emergence of "stagflation" in China's economy in 1995 is not great. However, we should not lower our guard. If the operation is improper, the emergence of an undesirable situation is not ruled out. At present, we should pay special attention to guard against two tendencies: The first is a rapid slide in economic growth resulting from further increasing the strength in regulation and control because commodity prices still remain at a high level at present. The second is failure to resist pressure from various aspects, from state-owned enterprises in particular,

causing excessive ease of money, making the economy embark once more on the orbit of overheated operations, and eventually compelling us to practice a "hard landing."

Delivery-on-Payment Policy for Coal Viewed

Part One

HK0704115495 Beijing CHINA DAILY in English
7 Apr 95 p 4

[By CHINA DAILY reporter Wang Xiaozhong: "Delivery-on-Payment Is Not as Easy as It Seems"—first part of a two-part series]

[FBIS Transcribed Text] People have to pay when they buy. But for China's coal industry, which is the world's largest, such a natural thing as urging clients to pay on time is really unusual—and complex.

Last November, the Ministry of Coal Industry declared State coal mines should not give coal to anyone unless they are paid, in cash or in bank paper. Commercial contracts also must be signed for all deals.

To implement the delivery-on-payment policy, the industry prepared its greatest determination.

"We should not retreat under a storm, and shiver in the face of difficulties," coal Minister Wang Senhao said. He urged all enterprises in the industry to strictly abide by the policy under any pressure that might be applied.

In fact, the Ministry of Coal Industry had won support from top government leaders and important departments, including the central bank.

It is a big thing, because the "policy concerns the fate and the future of the industry," said Zhu Dengshan, Director of the Department of Finance and Labour Affairs for the ministry.

Lack of funds is a problem with most Chinese businesses, as the economy is growing fast and the inflation rate is high.

To the coal industry, however the problem can be fatal. For a time, it could hardly keep going as most buyers were defaulting on their payments.

By the end of last October, defaulted debts of all major State-owned mines under the Ministry of Coal Industry amounted to 29.2 billion yuan (\$3.5 billion), roughly half of the total annual sales income of the whole trade.

Due to lack of money, major State coal mines ordered only eight sets of comprehensive mining equipment last year. But they need at least 50 every year to replace the old, and 15 should be added to keep a reasonable development.

"The future production ability of the industry has been heavily affected due to lack of input," Wang, the coal minister, said.

The other problem is even more urgent. In the first nine months of 1994, the major State mines owed more than 2 billion yuan (\$24 million) in salaries to workers. By the end of the year, unpaid pensions to the industry's retired workers amounted to nearly 300 million yuan (\$35.6 million), ministry figures indicate.

It is reported that in some of the most difficult coal mines, some workers and retired persons barely can meet their basic living expenses.

Although the huge amount of default debts is not the only reason for the situation, they surely contributed to all the problems the industry is suffering from.

It was at this time the central government authorized the ministry to put out the delivery-on-payment policy, which yielded remarkable achievements in the past several months.

The Ministry of Coal Industry said coal enterprises now are able to get back more than 90 per cent of the value of coal sold, compared with last year when nearly half of the coal was sold without being paid for. The figure climbed to 96 per cent in the first 20 days of March.

Great efforts also must be paid to collect old debts.

By the end of February, the total amount of default debts had been reduced to 28 billion yuan (\$3.32 billion), 1.2 billion million yuan (\$142 million) [as published] less than four months ago.

Although it is difficult to eliminate default debts soon, as few new debts are incurred, the situation with the coal industry is getting better.

The ministry has declared it will compensate all delayed retirement pensions in the first half of the year. It will clear all its debts to workers before the end of the year.

The first obstacle to the delivery-on-payment policy came from local authorities, a coal ministry study said.

Many local authorities urged coal mines to continue their supply to locally crucial enterprises without timely payments.

These crucial enterprises, mostly gashouse, power station and metallurgical companies, are usually not only the biggest consumers, but also the biggest debtors for coal mines. Failure to apply the policy on these enterprises would mean the failure of all.

Secondly, the railway, as well as the ports, transports coal according to its own plans, which are usually made one or two months ahead. Many mines can neither send coal to those who paid in time nor stop coal from going to those who did not pay.

The policy also is threatened by gloomy prospects for the coal market.

Some mines worry that stopping supplies to big debtors, as the policy requires, would force them to stop production.

And others worry the new policy, which is so far a great success, might be ruined by the competition among mines themselves.

Part Two

HK1004061995 Beijing CHINA DAILY in English
8 Apr 95 p 4

[Final article in a two-part series by CHINA DAILY reporter Wang Xiaozhong: "Coal's On Its Way If They Can Pay"]

[FBIS Transcribed Text] The impact of the delivery-on-payment policy broke out of industrial limitations from the very beginning.

Observers believe the policy is much more significant than providing a way to save the coal industry, as it was designed to do.

It can be seen as a readjustment of the industry's way of selling. But it is also not an exaggeration to say it is a dynamic challenge against the most stubborn remnant of the planned economy.

Practically, as it is further carried out and other industries follow suit, the policy hopefully may bring an end to the chronic debt chain. This is a problem for a large number of Chinese enterprises when they can neither pay their debts nor get money from their debtors.

The coal industry suffered heavily from the debt chain mostly because it is still under the heavy influence of the centralized planned economy.

Producing more than 75 percent of the country's primary energy, the industry used to be considered only as a sector obliged to keep the economy running, instead of a producer and seller of a certain commodity.

Even today, mines must continue to supply coal even when they are on the verge of financial collapse themselves. Their major consumers are the industries that are crucial to the national economy, and, until now, under direct State control—including the iron and steel, power generation and chemical industries.

These debtors, however, knowing the State will help both sides as a last resort, think lightly of indebted situations. In fact, the longer they default on payments, the more they benefit.

That is why the coal industry had to summon all its courage when putting out its delivery-on-payment policy. The first thing it challenged was administrative interference in economic operations.

This also explains why implementing the policy can unblock a problem that has embarrassed the government for years.

The coal industry's move has set a model for debtors, most of which also are bound tightly to the debt chain in a similar pattern. In reality, they will be forced to follow suit because no one wants to stand at the head of the heavy chain.

In fact, soon after the coal industry acted, several other industries learned to say "no" to debtors.

In January, Liu Qi, Minister of the Metallurgical Industry, declared a similar policy: no production without contract, and no delivery without payment.

"We should stick to the principle as it is being firmly conducted by our brother industry," the minister said.

As a huge knot in the debt chain, the industry was reported to owe 66.2 billion yuan (\$7.9 billion) to others by the end of last year. Meanwhile debtors defaulted on 89.5 billion yuan (\$10.6 billion).

Most large and medium metallurgical enterprises failed to collect more than 20 per cent of their yearly sales income.

Other industries, like the ministries of Power Industry and Railways also are taking the chance to break their own links to the debt chain.

"If our delivery-on-payment policy can be replicated by other industries, the debt chain between enterprises can be destroyed gradually," said Zhu Dengshan, Director of the Department of Finance and Labour Affairs under the Ministry of Coal Industry.

"Those enterprises producing inferior and unmarketable goods will be forced to change their production structure and improve the quality. This will bring China a market economy of normal order," Zhu said.

More significantly, the practice of the coal industry and its followers has sent the signal the central government is taking market order higher than many other of its objectives in decision making.

This is a great step ahead in the process of China's market-oriented reform.

The delivery-on-payment policy has increased the pressure on concerned industries and enterprises to show more respect for law and order in a market economy.

Besides, when State enterprises no longer are trapped by the debt chain, the government will be able to concentrate more financial and political strength on market building efforts, like supporting practices similar to the delivery-on-payment policy of the coal industry.

Article Says 'Massive Debts' Hinder Banking Reform

HK0904081195 Hong Kong SOUTH CHINA SUNDAY MORNING POST (SUNDAY MONEY) in English
9 Apr 95 p 4

[Article by Agatha Ngai: "Reform Sinks in a Sea of Debt"]

[FBIS Transcribed Text] China's creaking bank reforms are in danger of coming to a complete standstill under the weight of massive debts owed by state industry to the banking sector. Further reforms now appear dependent on restructuring the debt-ridden state sector, which absorbs about two-thirds of loans generated by China's four specialised banks, according to economists.

Bad and doubtful debts have been climbing steadily, with at least half China's state-owned firms operating at a loss and relying on bank funds to maintain production and pay creditors.

Economists say the level of debt carried by the four banks—the Industrial and Commercial Bank of China, the People's Construction Bank of China, the Agricultural Bank of China and the Bank of China—effectively gives these institutions a negative asset value.

But the Chinese Government does not plan to turn off the tap to state industry, and banks have been told to extend outstanding loans for "critical activities" of state firms. To cover the loans partially, public money is injected into the banks to combat the growing level of bad debt.

With this sort of haemorrhaging of funds from the four specialised banks, it is virtually impossible to introduce further reforms or to develop existing reform measures in the banking system, economists say. Uppermost in China's reform package—launched in late 1993 under a plan to convert the People's Bank of China into a fully fledged central bank—is transformation of the specialised banks into commercially viable operations.

But it is highly unlikely they will be able to establish viable deposit-loan ratios while they hold such large debts on their books, economists say. Suggestions that state firms should be left to collapse if they cannot operate commercially have also been dismissed as too risky because of the social unrest that could create.

Dr Huang Guobo of City University's department of economics and finance said: "State enterprises still account for more than 40 per cent of gross national product, despite their declining share in the country's industrial output. The Government cannot simply close the loss-making firms and leave millions of workers unemployed.

"The move simply shifts the burden of social welfare from the state firms and banks to the state and the problem of massive outstanding loans remains unsolved."

Dr Huang said the Chinese Government did not have enough cash to allow such huge write-offs.

China moved last year towards commercialising the four banks when it set up three new non-profit banks, whose role was to take responsibility for policy loans. But it is doubtful whether the three—the State Development Bank (SDB), established in April, the Export and Import Bank of China (EIBC) established in July, and the Agricultural Development Bank (ADB) established in

November would have enough capital to take responsibility for the policy activities.

The SDB is the largest of the policy banks, with registered capital of 50 billion yuan (about HK\$45.8 billion), and access to capital markets and overseas borrowings. But even when combined, the size of the new banks is still small—less than half that of the specialised banks.

Although it is doubtful whether the new banks can support all policy-based activity, their presence puts pressure on the specialised banks in one area—improving management.

Dr Huang cited the Agricultural Bank of China (ABC), which in the past tapped the People's Bank of China for funds to buy "agricultural products". With the introduction of policy banks, responsibility for funding government purchases of food and cotton and some forms of agricultural development, switched away from the ABC, effectively shutting down an avenue of funds for it and allowing the central bank a tighter rein on the flow of funds.

But even this raises ethical questions as small farmers still rely largely on the Agricultural Bank when buying farm equipment and fertilisers. "It is an ethical consideration whether the burden of running an enterprise and the purchase of production equipment should be put on the shoulder of the Government," said Dr Huang.

Benny Chiu, of Hongkong Bank's China Services division, worried that a dual lending market would create distortion in the mainland banking sector and in investment decisions, saying China had yet to build a market economy. "Soon after the war, Japan also set up policy banks to help its pillar industries. But at that time, Japan had already worked within a founded market framework," said Mr Chiu. "In China, subsidised loans may perpetuate the policy-based status of projects, which could become market-based with further reform in the pricing system and capital markets."

Economists are convinced, however, that only with significant improvement in the state enterprises can the specialised banks get free of the risk of massive bad debts. Only when the specialised banks, major players in the mainland banking system, operate in a commercially viable manner, will the state be able to establish an open bond market and use it as a monetary control tool. The recent proposal for urban cooperative banks will also bring more competition to the market, but the specialised banks must first be in a position where they can compete.

Digital Program-Controlled Exchange Approved
OW0804161095 Beijing XINHUA in English 1514
GMT 8 Apr 95

[FBIS Transcribed Text] Shijiazhuang, April 8 (XINHUA)—A digital program-controlled telephone exchange with a large capacity was approved by the state today in this capital of north China's Hebei Province.

The new office-use exchange can be used for long-distance, local and rural dialing.

China plans to produce such exchanges totalling six million lines every year. The market need last year was about 10 million lines.

As most of the large exchanges are imported, in 1993 the Ministry of the Electronics Industry organized its No. 54 Research Institute and the Central China University of Science and Engineering to develop large exchanges.

Beijing, Shanghai Move To Restrict Migrant Workers

HK0804080495 Hong Kong EASTERN EXPRESS in English 8-9 Apr 95 p 6

[By Bruce Gilley]

[FBIS Transcribed Text] The two largest cities in China are to implement measures to keep migrant workers in low-pay, temporary jobs, in the latest assertion of the regional protectionism that has anguished the central government. Employers in Beijing and Shanghai will be barred from hiring outsiders in certain sectors in order to ensure good jobs for local residents, official reports revealed yesterday.

Slowing economic growth and layoffs by state enterprises have prompted the moves in the cities, which together employ 2.5 million rural migrants. Beijing's law was being debated and could be implemented this month pending approval of the municipal people's congress, the official Beijing Youth Daily News [BEIJING QINGNIAN BAO] reported.

Shanghai's regulation on migrant workers was passed last month, despite the objections of local members of a non-communist party, a separate report in the official Press Digest [WENZHAI BAO] newspaper said.

The Shanghai list includes high-skill sectors such as financial services, management and supervision, as well as the lucrative taxi services. It also includes lower paying but stable and safe jobs, such as shop attendants, telephone operators, commodity inspectors, ticket sellers, commercial artists and security guards. Migrant workers in Shanghai numbered 1.7 million last year, accounting for about 30 per cent of the city's work force.

Local members of the Chinese Peasants and Workers Democratic Party objected to the regulation in February, arguing that "the real sufferers will be the Shanghai people and the Shanghai economy". "Does this mean that migrant workers will only be allowed to do difficult and dangerous jobs?" the party asked, according to the Press Digest report. "In the short term, it might improve job opportunities for locals, but from a longer term perspective, labour market barriers will make Shanghai people assume they are above ordinary affairs and weaken their ability to compete," the party said.

In Beijing, where 15,000 people are expected to be laid off this year alone, the calls to limit outside workers have met with no known opposition. The city employed 800,000 migrant workers last year, 500,000 of them on construction sites.

The central government has had little success in its attempts to limit the flow of migrant workers to the cities, which has reached 80 million nationwide. This has put pressure on urban job markets at a time when unemployment is growing fast because of a slowing economy and the bankruptcy of state enterprises. The Ministry of Labour predicts that between 1996 and 2000 about 3.5 million urban workers will be laid off by money-losing state firms every year.

A further 10 million urban residents will enter the labour market annually. Economic growth is expected to provide only 6 million new urban jobs a year during the same period. The trend has given rise to fears of an unemployment explosion. The figures do not include the 20 million surplus rural residents who will be added to the rural job seekers flocking to the cities every year during the same period.

Industry Up 14.4 Percent in First Quarter

OW0804084095 Beijing XINHUA in English 0825 GMT 8 Apr 95

[FBIS Transcribed Text] Beijing, April 8 (XINHUA)—China's industry reported a steady growth in the first quarter of this year, with the state-owned sector registering sustained rises, said the State Statistics Bureau today.

The bureau said in a release that China's January-March industrial output was 399.6 yuan, up 14.4 percent from the same period last year.

The report said that the non-state sector continued to keep its high-speed growth in the first quarter while the state sector quickened its growth.

The state-owned enterprises and companies the state hold a majority stake realized an output value of 92.5 billion yuan, 10.9 percent up compared with the same period last year, according to the bureau.

Light industry grew quicker than the heavy industry, with the light industry realizing an output value of 169.4 billion yuan in the first quarter, up 20.2 percent compared with the same period of last year.

The heavy industry's January-March output value was 230.2 billion yuan, 10.1 percent up from the corresponding period of last year.

However, some problems still exist in industry, said the bureau, adding that the triangular debts among the enterprises and lack of fund still restrict the growth of enterprises.

Hong Kong Citizens Need Work Permits in Shanghai

HK1004050495 Beijing ZHONGGUO XINWEN SHE in English 0245 GMT 8 Apr 95

[FBIS Transcribed Text] Shanghai, April 8 (CNS)—The Shanghai Municipal Bureau of Labour has recently announced that residents of Hong Kong, Macao and Taiwan who are seeking employment in Shanghai must apply for a work permit and go through certain procedures before seeking work.

Job seekers must be aged 18 or above, hold valid travel documents (i.e. passports, re-entry permits or visas, as the case may be,) and hold appropriate academic qualifications and work experience with supporting documents, as required by the employer. As for the employers, they must also produce evidence from local employment services agencies that such type of staff have not been available in Shanghai. For those Hong Kong, Macao and Taiwan residents who have been working in Shanghai prior to the passing of the new regulation, they must declare their status through their employer to the Bureau of Labour before the end of April 1995. Those who fail to register before the deadline will be treated as working without permits.

Finance & Banking

Bank Official Urges 'Efficient' Use of Bond Issues

HK0904084195 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 9-15 Apr 95 p 1

[By Ding Xuemei: "Efficient Bond Use Is Advised"]

[FBIS Transcribed Text] Though China is issuing more State Treasury Bonds, its debt burden is still under the capacity of national economy.

However, the country must pay close attention to it, said Qin Chijiang, director and research fellow with the Research Institute of Finance and Banking under the People's Bank of China.

So far, debts from treasury bonds are at least 350 billion yuan (\$41.67 billion), accounting for 10 per cent of the nation's gross domestic product.

About 60 percent to 70 percent of the debt comes from bonds issued in the last three years, because some of the previous debts have been paid off, Qin said.

This year, income from treasury bonds accounted for 30 per cent of the nation's finances. Though it is relatively big, it doesn't exceed the country's control, Qin said.

For example, in some countries, domestic debts account for 45 per cent of their income. In the United States, domestic debts exceed its GDP.

China's financial income is becoming more dependent on issuing treasury bonds. The problem must be taken seriously.

Under the central-planning system, the proportion of financial income in GDP would reach 25 per cent to 30 per cent, but now the number has dropped to 11 per cent to 12 per cent, although the absolute value keeps increasing, Qin said.

However investment in education, culture, health, public affairs and key construction projects cannot be cut.

Because of the lack of money, the nation has to issue treasury bonds.

By doing this, it can raise money to support key construction projects, which will help adjust the inconsistent industrial structure.

It also will help balance the allocation of capital among departments and regions to enhance those economically backward fields.

However, Qin warned, issuing treasury bonds must be controlled.

More important, money from bond sales should be used to develop projects that will make China's economic structure stable and produce better economic efficiency.

He said the country will have no problems paying back the money and interest if the capital from treasury bonds is used better.

If the money is not used better conditions will become more serious, perhaps resulting in a vicious cycle, which causes a financial and banking crisis, Qin said.

The country should speed reforms in the finance, investment and banking sectors and reform enterprises to build a modern management system.

Non-productive expenditure on administrative departments must be reduced to ensure much money to be used in economic construction.

In the past, about 30 per cent to 40 per cent of the country's finances was used in economy, now the figure dropped to 10 per cent, Qin said.

Meanwhile, the depreciation rate of equipment should be raised to ensure enterprises having enough money to renew their machines.

Gradual Approach to Yuan Convertibility Urged

HK1004051295 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 10 Apr 95 p 4

["Viewpoint" column by Li Yining, head of Beijing University's Department of Economics and Management and National People's Congress Standing Committee member: "Bumps Can Be Smoothed on Road To Full Convertibility"]

[FBIS Transcribed Text] Last week, I looked at the problems facing the yuan as it moves towards full convertibility. I now want to cover implementation. Last year, China unified the

yuan's two exchange rates, which could be regarded as the currency's first step towards full convertibility. A unified floating rate implies that the yuan is already fully convertible for foreign trade, and the unification paves the way for further currency reform.

The second step refers to the yuan's full convertibility under, for example, current accounts. Problems may be encountered here. Firstly, if individuals are allowed to convert the yuan in their hands, including bank deposits, will there be adequate foreign exchange reserves? Assuming that only US\$25 billion of foreign exchange reserves are available for conversion, it will only need slightly more than 200 billion yuan (about HK\$183 billion) to exhaust them.

This will be the case unless the yuan suffers from substantial depreciation. For example, the rate against the US dollar could go down to 20 or 40 yuan from about 8.5. This would be a blow to the Chinese economy. China has to rely on a constant supply of foreign exchange reserves, and on people's growing confidence in the yuan, preventing them from rushing to change their yuan into foreign currencies.

The same problems may arise if enterprises are allowed to invest, and if individuals are allowed to remit their foreign exchange overseas. The only solution is an adequate supply of foreign exchange reserves—otherwise a significant depreciation in the yuan is inevitable.

Also, while the currency is separated from the international market, there is a buffer against the impact of political and economic issues overseas. This buffer was weakened by the unification of the exchange rates.

When the yuan becomes convertible under current accounts, the buffer will no longer exist. At that time, China's economy will not be insulated from blows caused by economic and political changes around the world. It will then be difficult to maintain stability.

From the first step towards full convertibility (unification of the exchange rate) to the second step (convertibility under current accounts), the road is bumpy and risky.

China must speed up reforms of its economic and financial systems. Such reforms will make enterprises competitive, thereby allowing the economy to grow steadily. It must also increase exports and foreign exchange reserves. It is possible to achieve this goal by the end of the century.

Another idea is to divide the second step into several mini-steps, to split current accounts into several small items and liberalise those items gradually. I support the idea of taking several small steps to achieve full convertibility under current accounts.

However, before China lifts its control over certain items, there is a question: how should we handle the relations between the items which are liberalised and

those that are not? If we do not handle this issue well, those items will be mutually influenced, limiting the effects of currency reform.

Central Bank To Pursue Tight Monetary Policy

OW0704141295 Beijing XINHUA in English 1349
GMT 7 Apr 95

[FBIS Transcribed Text] Beijing, April 7 (XINHUA)—China's central bank will pursue a relatively tight monetary policy this year in a move to bring down price increases substantially, a senior official said here today.

Dai Xianglong, deputy governor of the People's Bank of China, said that this year his bank will tighten controls over the money supply and make sure that newly-supplied currency is devoted to priority construction projects, and the purchase of farm and sideline products.

"Meanwhile, ten percent of new loans to be extended by state banks must go to the farming sector," he told a meeting on China's financial situation sponsored by the Propaganda Department of the Chinese Communist Party Central Committee and four other units.

He announced other measures relative to a tight monetary policy, such as improving the safety and the profit rate of credits, tightening controls over financial institutions, improving management of foreign exchange and increasing the use of indirect macro-economic control methods.

"Since the beginning of this year China's financial situation has been moving toward the objective of macro-economic controls," he said.

By March 31 all the 185.2 billion yuan in cash put into circulation from January 1 to the Spring Festival had been withdrawn from circulation, he said.

To date, 104.1 billion yuan-worth of three-year certificated treasury bonds have been sold, meeting 70 percent of the annual quota, he said.

"China now has foreign exchange reserves totaling 58 billion US dollars, six billion US dollars more than at the beginning of this year," he said.

At the end February savings deposits of urban and rural residents were 220 billion yuan more than at the beginning of the year and 80 billion yuan more than during the same period in 1994, he added.

Dai said that loans extended at the end of February were 70 billion yuan more than at the beginning of the year and 50 billion yuan more than in the same period in 1994.

Loans extended to the farming sector at the end of February were 12.4 billion yuan more than at the end of the year and 7.1 billion yuan more than during the same period of last year.

"To bring down prices markedly, we must implement all measures formulated by the State Council to curb inflation," he told the meeting.

He revealed that the central bank put 411 billion yuan into circulation during the 1992-94 period, 56.4 percent of the total since the founding of New China in 1949.

"Over the past few years prices of various commodities have shown a tendency toward a spiraling rise and an overall increase," he said.

Therefore, to bring down prices by a big margin this year and next year, "we must implement all measures formulated by the State Council to curb inflation," he said.

It is imperative to pay attention to increasing production and supplies of farm and sideline products, firmly restrict the increase in investment in fixed assets and consumption funds, and shift the focus of economic work to the improvement of economic returns, he noted.

Beijing To Accept Foreign Banks To Set Up Branches

OW0904100395 Beijing XINHUA in English 0746
GMT 9 Apr 95

[FBIS Transcribed Text] Beijing, April 9 (XINHUA)—After years of preparations, China's capital city Beijing will finally be open to foreign banks.

According to today's SHANGHAI SECURITIES newspaper, Beijing will allow at least five foreign banks to set up branches here within 1995.

"About 50 overseas financial institutions have contacted the Beijing authorities exploring possibilities of establishing joint ventures," it said.

It did not give any details about the discussion.

China's State Council has already approved the opening up of ten more cities to foreign banks including Beijing, Shenyang, Shijiazhuang, Xian, Hefei, Hangzhou, Suzhou, Wuhan, Chongqing and Chengdu.

Sources with the People's Bank of China Beijing Branch said that the first group of foreign banks entering the capital will be large ones with good business records and will finance the city's economic growth.

"We will also make sure that they come from different countries or regions," the sources said.

Bond Quota Not Enough in Shanghai

OW0804143895 Beijing XINHUA in English 1410
GMT 8 Apr 95

[FBIS Transcribed Text] Shanghai, April 8 (XINHUA)—The quota of this year's certificate bonds allocated to this economic center of China has fallen short of demand, as the total amount had already been snapped up by Friday, almost four months ahead of schedule.

City residents who went to banks and post offices to buy the bonds were only told that no more were available, unless a proposed expansion of the quota is approved.

By Friday, 8.46 billion yuan (about 100 million US dollars)- worth of three-year certificate bonds had been sold in the city, as against the eight billion yuan-worth quota.

China put on sale two types of bonds March 1. The certificate bonds carry an inflation-adjusted 14 percent interest rate from the date of purchase if they remain unconverted before the full term. The rate is 1.76 percentage points higher than bank deposit yields for the same term. The three-year unregistered bonds, underwritten by securities institutions, carry a coupon rate of 14.5 percent, 2.26 points higher than bank deposit yields for the same term, but are not inflation-adjusted.

Market trading of the unregistered bonds started after the issue closed March 20. The certificate bonds, which will remain on offer until July 31, are not allowed to be listed and traded on the secondary stock markets.

The issue date and size of a third type of bonds to be floated this year, intended for institutional investors, are yet to be decided.

Observers say that the certificate bonds have been well received mainly because Chinese individual investors, who actually have few investment alternatives, are drawn by the bonds' attractive interest rate, the inflation subsidy that ensures returns ahead of price rises and low risk compared with stock investments.

The Chinese government used to cover budget deficits through overdrafts from the People's Bank of China, the central bank.

But the Central Bank Law, which was passed last month by the National People's Congress, China's top legislature, forbids the government to do so any longer, forcing it to issue bonds to cover deficits.

China's budget deficit, which reached 63.8 billion yuan last year, has been projected at 66.8 billion yuan for this year. The total value of the 1995 treasury bonds is set at 153.5 billion yuan, up more than 49 percent on last year's figure.

China did not resume issuing state bonds until 1981. By last year more than 310 billion yuan-worth of such bonds had been floated.

Equipment Chosen for Economic Information Network

HK1004050295 Beijing ZHONGGUO XINWEN SHE
in English 0451 GMT 8 Apr 95

[FBIS Transcribed Text] Beijing, April 8 (CNS)—The State Economic and Trade Commission announced recently it had decided to buy the Chinese character computer system worked out by the Beijing Hope High-Tech Group as

applied software of "The National Programme for Production and Circulation Information of Enterprises", marking the embarkation of the state's key information programme.

"The National Programme for Production and Circulation Information of Enterprises" is an important component of the national economic information resource network. An information bridge linking the governmental organs with 360,000 major enterprises and 8.6 million industrial and commercial enterprises nationwide, it is also a basic information development programme with social applicability. The programme is aimed at reducing waste of materials, and inefficient handling of manpower and funds through offering the information service.

Director of the Information Center under the State Economic and Trade Commission Wang Guizhen said that this key programme concerned the national economy and people's livelihood, providing advanced functions, reliability and stability of computer hardware and software. After comprehensive testing and evaluation to a variety of domestic and overseas applied software, the State Economic and Trade Commission held that the China-produced Chinese character computer system was the best commensurate with China's language standards and traditional national culture, and therefore decided to choose the Hope High-Tech Group's Chinese character computer system.

Experts in the computer sector in China argued that purchasing the right of use for software from domestic enterprises by the State key programme could help to develop an important market for China's software research, and was also regarded as one of actual moves for Chinese governmental organs to protect intellectual property rights and foster China's software trade.

The head of the Computer Department of the Ministry of Electronic Industry said China welcomed domestic and overseas high-tech enterprises to participate in China's key information programme, and did not rule out foreign companies to develop the Chinese character computer software system. However, the Chinese character software produced by foreign countries must meet China's standards, as well as match standards in Chinese culture and its national outlook, otherwise it would not be allowed to be imported.

Foreign Trade & Investment

Li Tieying Says WTO Conditions 'Unacceptable'

HK1004064295 Hong Kong AFP in English 0446 GMT
10 Apr 95

[FBIS Transcribed Text] Beijing, April 10 (AFP)—A top Chinese official said Monday it was "unfair and unacceptable" to pressure Beijing into shouldering punitive foreign trade obligations in order to join the World Trade Organisation (WTO).

At the same time it is "not a realistic and respectful attitude" for one country to judge another's economic

situation without taking into account its development level and specific characteristics, said Li Tieying, chairman of the State Commission for Restructuring Economic Systems. "This does not help countries learn from each other or contribute to mutual development," Li said in a speech at the international 1995 China Summit, which opened here Monday.

Li's remarks followed a strong U.S. warning that Washington would withdraw support for China's membership of the WTO unless Beijing lowered remaining trade barriers.

In an interview given to western journalists here Sunday, visiting U.S. Undersecretary for International Trade Jeffrey Garten accused Beijing of "not playing fair" in its trade relations with Washington, pointing to last year's 29.5 billion dollar trade deficit with China.

Garten, who was scheduled to meet Foreign Trade Minister Wu Yi on Monday, said the United States was offering China a simple choice of opening its economy or facing "tremendous (U.S.) pressure everywhere we can find it."

He made it clear that China's ambition to join the WTO, which replaced the General Agreement on Tariffs and Trade (GATT) on January 1, would be a particular target of U.S. pressure. "Unless they come in on terms that promote a more open economy, we will be unable to support Chinese entry."

However, Li stressed that China had already shown "excessive patience" in its eight-year-long bid to rejoin GATT and pointed out that China had further lowered tariffs on more than 200 types of import commodities at the beginning of this year.

Accusing Washington of setting up obstacles to block China's entry for political reasons, Li specifically slammed the United States' rejection of China being granted developing nation status in the WTO. "It is unfair and unacceptable to treat China as a developed or semi-developed country and require it to shoulder international obligations which do not conform with its development level and rights," he said.

As an economy in transition, China is already struggling to cope with inflation, low economic efficiency in its state sector, and widening regional economic disparities, he added.

Li also warned that any attempt to pressure China through sanctions would have a detrimental effect on the world economy.

Working party talks on China's WTO entry—suspended in December—are expected to resume later this month.

China has argued it cannot fulfill the trade obligations contained in the GATT Uruguay Round Agreement until it is accepted into the world trade body.

China was founding member of the GATT but withdrew after the communists came to power in 1949.

'Expert' Urges WTO To Admit China as Founding Member

HK1004064895 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 9-15 Apr 95 p 2

[By Sun Hong: "Time Draws Nigh To Join WTO As A Founder"]

[FBIS Transcribed Text] A China trade expert has called for a speedy resumption of talks on China's entry into the World Trade Organization, [WTO] saying it would benefit both China and the world economy.

China failed in December to reenter the General Agreement on Tariffs and Trade after years of effort.

New opportunities arose as Sino-US talks on intellectual property rights protection concluded with an agreement and US representative Mickey Kantor expressed the United States' willingness to support China as a WTO founding member.

Chu Xiangyin, of the Beijing-based University of International Business and Economics said: "The WTO would regret the absence of a flourishing economic power like China."

The issue could also cloud Taiwan's plans to join the WTO as an independent taxes-and-tariffs region, adding to the incompleteness of WTO, he said.

Multinationals' interest in China might be affected as the country stands outside the WTO, he warned.

"Since China enjoys no rights of a WTO member, it has no obligations to obey the rules of WTO," he said.

More than 200,000 overseas-funded enterprises have opened business in China.

Chu said becoming a member of the WTO will accelerate China's economic reform.

The WTO represents a system that covers a broad range of aspects, including investment, service trade, intellectual property rights protection and tariff reduction and non-tariff commitment.

Joining the WTO can help China renovate its domestic trade system in line with the new system, and can push China's opening wider, he said.

China has unified its foreign exchange system, freed foreign trade business from government control, decreased the types of commodities controlled by licenses and quotas, removed export tariffs and slashed import tariffs.

Last year, the government had promised in its Gatt entry application to make more cuts on tariffs and non-tariff barriers, and open sectors including banking, medical

treatment, computers, architecture, real estate, tourism, advertising and transportation.

"However, expectations of more concessions from the Chinese Government on the WTO issue is not practical," Chu said.

China is still a developing country, and the government has reiterated that China will not sacrifice its basic economic interests to win a WTO membership.

Chu suggested WTO members look into the issue with a practical attitude and help promote its settlement.

It would, he said, benefit not only China, but other WTO members.

MOFTEC Official Urges Businesses To Expand

HK1004062595 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 9-15 Apr 95 p 1

[By Wang Yong: "Businesses Must Increase Scale To Survive"]

[FBIS Transcribed Text] Faced with a sea of small businesses that, more often than not mess up export market order, China is finally studying how to support operations of larger scale.

"On one hand, trading rights are being delegated to more manufacturers. On the other the government is sending a clear signal to some large companies: to be stronger and more diversified," Qiu Xichun, an official of the Ministry of Foreign Trade and Economic Co-operation, said over the weekend.

"This reform measure comes on the eve of China's possible entry into the World Trade Organization and aims at honing the competitiveness of Chinese enterprises immediately," Qiu said.

Chinese foreign trade enterprises generally are small scale. Their business activities are scattered.

Qiu said these elements have put Chinese enterprises in a weak position in international markets.

In 1994, China recorded an export volume of \$121 billion, but the average scale of Chinese trading companies was about \$10 million (a large portion of exports were generated by overseas-funded enterprises).

"A way out is to learn from Japanese and South Korean general trading companies, or sogoshoshas," Qiu said.

In general, a sogoshosha covers trade, finance, information, investment, technical development and comprehensive service businesses.

Sogoshoshas played an important role in creating a "Japan miracle"—a surprising economic growth rate that has finally sent Japan into the rank of the world's strongest economies.

"With the assistance of the State, a number of 'aircraft carriers'—high-powered enterprise groups—should emerge to sharpen China's international competitiveness."

Qiu said the importance of popularizing the practice of a *sogoshosha* lies not only in expanding the scale of Chinese enterprises, but in increasing their business variety.

The rigid monopoly and separation of industries, a result of decades of a planned economy, is preventing foreign trade companies from being diversified.

Qiu said Sinochem's experiment with *sogoshosha* is a strong signal from the government to crack the monopoly.

Minister Calls For Severe Crackdown on Fake Products

OW0804133295 Beijing XINHUA in English 1237
GMT 8 Apr 95

[FBIS Transcribed Text] Beijing, April 8 (XINHUA)—Minister of Internal Trade Chen Bangzhu today called for intensified efforts to crack down on the increasing number of fake commodities on the market.

At a national meeting which opened today, the minister said that in order to better protect the interests of the consumers, all commercial departments should establish and perfect a commodity quality control system, take measures to enhance the quality awareness of employees, improve commodity inspection, and carry out public regulations work concerning after-sales service.

He stressed that small and medium-sized businesses in large and medium-sized cities should boycott goods without trade marks, manufacturer's label or date of the production—popularly known as the "three-no goods".

During the meeting, 106 department stores and groceries were cited for their success in this effort.

Overseas Investment in Shanghai Drops Jan-Mar

OW0904025595 Beijing XINHUA in English 0208
GMT 9 Apr 95

[FBIS Transcribed Text] Shanghai, April 9 (XINHUA)—Shanghai, China's largest economic center, saw a drop in the use of overseas investment in the first quarter of this year.

The city approved 764 contracted overseas investment projects in the first three months of this year, involving a total contracted investment of 1.845 billion U.S. dollars, 11 percent and five percent less, respectively, than in the same period of last year.

Investors from some 30 countries and regions invested in Shanghai in the first quarter. Large investment projects involving over 100 million U.S. dollars each were mainly started by investors from the U.S., Britain, Japan and Singapore, as well as from Taiwan and Hong Kong.

According to a recent survey, Shanghai's investment environment is the best among the nine Chinese cities that attract the most overseas funds. Over 80 percent of the overseas-invested enterprises in Shanghai are profitable.

The city will use overseas investment mainly in the development of industries in Pudong New Area as well as in the development of secondary and the tertiary industries, and comprehensive agricultural development projects in suburban areas, according to a municipal government official in charge of overseas investment.

German Auto Firm To Help Develop Factory Production

OW1004095795 Beijing XINHUA in English 0911
GMT 10 Apr 95

[FBIS Transcribed Text] Beijing, April 10 (XINHUA)—The Volkswagen Automobile Company Group (Volkswagen AG), one of the biggest car manufacturers in Europe, has decided to help promote the annual production of the Jetta car factory to 150,000 within this year.

The factory was jointly founded in 1992 by Volkswagen and the China Changchun No.1 Automobile Corporation—China's biggest Automobile producer.

It is estimated that the factory will make 40,000 Jetta cars this year. Last year's output was 8,500.

Wenpo Lee, chief representative of the Volkswagen Beijing office, said that the ratio of the local content of the Jetta sedan will be raised to 40 percent this year, compared to 25 percent last year.

According to him, the German Audi Automobile Company, a Volkswagen subsidiary, is planning to establish a joint venture with the China Changchun No.1 Automobile Corporation.

Another joint venture set up by Volkswagen is located in Shanghai. It will celebrate its tenth anniversary at the end of this month.

The Shanghai Volkswagen Automobile Company produces China's Santana sedan, a best-seller.

According to Lee, this year the factory will turn out 150,000 Santanas, with a local content ratio of 85.5 percent.

Shanghai Volkswagen will soon introduce its Santana 2000, which represents the company's latest car style.

Lee further emphasized that besides helping China build car manufacturing bases, Volkswagen has led more than 30 overseas companies to invest in China.

Moreover, it has sponsored a foreign consultancy group. During the past few years the group has delegated 150 foreign consultants to help China's major automobile producers.

As Lee put it, in the next few years Volkswagen will put more effort into helping China develop auto parts production.

Fushun Seeks U.S. Investment To Upgrade Industry

*OW0904170595 Beijing XINHUA in English 1459
GMT 9 Apr 95*

[FBIS Transcribed Text] Shenyang, April 9 (XINHUA)—Fushun, an old industrial city in northeast China's Liaoning Province, needs a total of 600 million US dollars of overseas investment to promote its pillar industries in the next five years, according to the municipal government.

As a heavy industry base, the city, located in central Liaoning Province, processes 10 percent of the country's petroleum and its output of special steel, aluminum and charcoal also accounts for about 10 percent of the country's total.

To adjust its industrial structure and upgrade technology in enterprises, the city plans to set up four leading industrial sectors in the following 15 years, which will concentrate on the production of high-grade oil products, petrochemicals, special steel and their by-products and electronic engineering machines.

To achieve the goal, the city government is planning to approve 600 new joint ventures and merging or technical renovation of 200 old enterprises, 20 of which will need more than 10 million US dollars each.

The majority of the overseas investment will be directed to the petrochemical, metallurgical, electronic machinery, textile, building material and other major sectors, according to the plan.

Sino-Thai Power Station Consultancy Company Opens

*OW0804161795 Beijing XINHUA in English 1523
GMT 8 Apr 95*

[FBIS Transcribed Text] Kunming, April 8 (XINHUA)—A Sino-Thai joint venture to provide consultancy for the construction of a hydroelectric power station opened in this capital of Yunnan Province today.

The venture, the Sino-Thai Yunnan Jinghong Power Station Consultancy Company Ltd, will be run jointly by the Yunnan Provincial Power Industry Company and the MDX Company of Thailand.

The establishment of the venture marks the beginning of preliminary work for the Jinghong Hydroelectric Power Station, to be built on the Lower reaches of the Lancang River.

The station is designed to have a generating capacity of 1.5 million kw and generate 7.34 billion kwh of electricity a year. When completed, it will provide most of the electricity it generates to Thailand and other South-east Asian countries.

The new joint venture will do a feasibility study and preliminary work for the station.

Yang Tonglun, an official of the Yunnan Provincial Economic Commission, estimated that the feasibility study, prospecting and design for the station will cost some 100 million yuan.

He said he believed that the introduction of foreign funds would accelerate preliminary work.

Zhu Zhiqiang, chairman of the venture and manager of the Yunnan Provincial Power Industry Company, cited the Sino-Thai joint construction of the Jinghong hydroelectric power station as a major co-operation project in the power industry.

An executive of the MDX Company said that the construction of the station is conducive to economic growth in China and Thailand, and to the economic takeoff in the whole of the Mekong River region.

Shanghai Belling Co. Imports U.S. EEPROM Technology

*OW0804092495 Beijing XINHUA in English 0842
GMT 8 Apr 95*

[FBIS Transcribed Text] Shanghai, April 8 (XINHUA)—Shanghai Belling Microelectronics Mfg Co. Ltd signed an agreement Friday [7 April] with the ISSI company of California, United States for importing the latter's EEPROM technology.

EEPROM technology, which is still a blank in China, is a key part in China's projected "golden card" (electronic currency) project.

To speed up the implementation of the project, Belling Microelectronics Mfg Co. Ltd, a Sino-Belgian joint venture designated by the Ministry of Electronics Industry as one of the ministry's key producers of integrated circuits for golden cards, has decided to import the EEPROM 1.2-micron technology and products while importing 1.2-micron large-scale integrated circuits from Bell Company of Belgium.

As China's leading business in producing microelectronic products, the Sino-Belgian joint venture has formed mass production capacity in manufacturing three kinds of large-scale integrated circuits ranging from 2.4 microns to 3 microns. The company trial produced 1.2-micron CMOS integrated circuits with the technology imported from the Bell Company in late 1994.

The Shanghai company sold 23.5 million pieces of circuits of various kinds last year, accounting for two thirds of the city's total volume of business, and scored 460 million yuan in sales, making up 76 percent of the city's total.

It is learned that the Shanghai company will also produce 0.5-micron integrated circuits.

Exxon, CNOOC To Seek Oil in Qaidam, Songliao Basins*OW0704145895 Beijing XINHUA in English 1433 GMT 7 Apr 95*

[FBIS Transcribed Text] Beijing, April 7 (XINHUA)—The Exxon Corporation signed two agreements with the China National Petroleum Corporation (CNOOC) here today to co-operate in exploration for oil in the Qaidam basin in northwest China's Qinghai Province and the Songliao Basin in Heilongjiang Province.

The Songliao Basin contract gives Exxon affiliate Esso China Ltd the right to explore and develop horizons located beneath currently producing zones in the western and northern portions of the basin. Initially, the areas cover 29,900 sq km. The contract area is located adjacent to the Daqing Oilfield, China's biggest, approximately 850 km northeast of Beijing.

The Qaidam Basin contract gives the Exxon affiliate the right to explore and develop the Dafengshan block, expanding Exxon's exploration interests in the western part of China. The Qaidam Basin is located 1,350 miles west of Beijing. The 11,600-sq-km block is the second onshore block in western China contracted by Esso China Ltd.

According to the agreements, Exxon will undertake exploration for oil and sink wildcat wells within the exploration period, and solely bear all exploration and investment risks.

Exxon Chairman Lee Raymond, who was in China to meet with key government and industry leaders and to attend the signings, stated that "Exxon is enthusiastic about our future in China. These agreements further strengthen the co-operation that exists between Exxon and the energy and petrochemical industries in this country."

Exxon also signed four letters of intent to expand the company's exploration activities.

Wang Tao, president of the CNOOC, said that China welcomes all circles to participate in the country's onshore oil exploration.

China, Austria Mull Economic Cooperation, Trade*OW0704145495 Beijing XINHUA in English 1422 GMT 7 Apr 95*

[FBIS Transcribed Text] Beijing, April 7 (XINHUA)—Chinese Minister of Foreign Trade and Economic Cooperation Wu Yi today discussed with visiting Austrian Minister of Economics Dr. Wolfgang Schuessel how to further bilateral economic co-operation and trade.

Both ministers presided over the 13th meeting of the Mixed Committee for Co-operation between China and Austria on Economy and Trade, which opened here this morning.

They agreed that there are broad prospects for such co-operation.

Wu said China has always attached great importance to developing its economic ties and trade with Austria.

Due to the joint efforts by the two governments and entrepreneurs of both countries, bilateral economic ties and trade have witnessed an all-round development.

Last year, she noted, the volume of trade amounted to 539 million US dollars-worth, which was seven times the figure for 1987 and a 24.4 percent increase compared with 1993. At present, Austria has invested in a total of 213 enterprises in China, she said.

Wu cited Schuessel as the first Austrian minister of economics to visit China since 1985. She said that she believed that his visit would surely facilitate the growth of bilateral economic ties and trade.

Schuessel said Austria places importance on the China market, so he brought him with a large mission composed of entrepreneurs from more than 50 Austrian companies. The visit is designed to explore new ways for expanding bilateral economic co-operation and trade.

He expressed the hope that Austria would increase its exports to China.

Noting that the central and western parts of China are vast in area and rich in natural resources, Wu Yi said that China welcomes Austrian entrepreneurs to invest in China, especially in the central and western parts of the country, which are full of opportunities, hope and potential.

She also expressed a desire for Austria's products to become more competitive on the Chinese market.

This evening, Wu met with the Austrian entrepreneurs who are accompanying Schuessel on the visit.

After the meeting, the two ministers attended a signing ceremony at which three letters of intent between companies of the two countries were signed. The details are as follows:

—A letter of intent was signed between the Jilin Province International Economy and Trade Development Corporation and the Changchun Paint Factory on the Chinese side, and Vianova Kunsthartz Aktiengesellschaft, Herberts and GIG (Grill and Grossmann) on the Austrian side.

According to this document, the Austrian side will provide the Changchun Paint Factory with key equipment for producing paint especially used by automobiles.

—The Zibo Wan-Dresher Hospital in Shandong Province and the Tiantan Hospital of Beijing and the Vamed Engineering Medical and Hospital Engineering Company Ltd. of Austria signed a letter of intent on the establishment of a modern general hospital in Xiaojiahe Village near Beijing, with a total investment of 29.88 million US dollars.

The new hospital will be equipped with imported diagnosis equipment to improve the treatment of epilepsy and other neurological diseases.

—The Liaoning Metallurgical Import and Export Company and Veitsch-Radex A.G. of Austria signed a letter of intent on the joint establishment of the Veitsch-Radex and Liaoning Advanced Refractory Products Company Ltd. The total investment will be 240 million yuan.

Royal Dutch, Shell Group Begins Oil Exploration

HK1004062195 Beijing CHINA DAILY in English
8 Apr 95 p 5

[By Liu Weiling: "Shell Drills First Well in Sea"]

[FBIS Transcribed Text] Royal Dutch/Shell Group, the world's largest oil company, is to begin drilling its first exploration well in East China Sea today.

The new \$10 million well will bring Shell's total investment in oil exploration in China to \$500 million, Peter Burri, managing director of Shell China Petroleum Development BV, said yesterday.

The well, in a block 400 kilometres southeast of Shanghai, will also be the first drilled by the international oil giant in China, although it became involved in oil exploration here 12 years ago.

"Risk for the exploration is huge since there has been no report of a commercial find so far in the East China Sea," Burri said. "But we believe the prospects are brisk and the investment is worthy."

Shell, maintaining the largest exploration team of any foreign oil company in China, also plans to move its China headquarters from Hong Kong to Beijing in the coming year or two.

The headquarters will supervise Shell's operation in the mainland, Hong Kong, Macao and Taiwan.

"This year marks the beginning of the second century of Shell in China," Burri said. "We hope to have a very long-term involvement in exploration and production for oil and gas, as long as China opens up really prospective acreage."

Shell began supplying diesel fuel to China in 1894. At its peak before World War II, Shell had 51 subsidiaries here and operated nearly 500 sales outlets in 20 provinces.

The group returned to China 15 years ago and began oil and gas exploration in China in 1983.

Now, it is the biggest investor with 39 per cent stake, of an oil field in Xijiang in the South China Sea, which is operated by the Phillips Petroleum Corp.

The oil field began shipping oil in November last year and produces over 9 000 tons of crude oil every day about one third of China's total offshore oil production.

Another oil field in Xijiang, in which Shell is also a major partner, is to come on stream in September this year. Designed production capacity for this oil field is about 5,400 tons a day.

While scrutinizing China's offshore areas for business potential, the oil giant is also flexing its muscle in onshore oil exploration and production.

An exploration well is expected to be drilled in the fourth quarter of this year to explore oil in Northern Jiangsu Province.

In inland provinces, the company is co-operating with Anadarko China Company and Chengdu Huachan Company to explore gas in the Sichuan Basin.

It is also to investigate prospects for coal-bed methane production in both Shanxi and Shaanxi provinces, in partnership with Lowell Petroleum of Australia and the Ministry of Geology and Mineral Resources.

In addition, to get further involved in the downstream production in China, Shell is planning to co-operate with four Chinese companies to build a \$6 billion oil refining and processing complex in Huizhou in Guangdong Province.

Shell and the Chinese side, including the China National Offshore Oil Corp, China Petrochemical Corp, Guangdong government and China Merchant Group, will each take a 50 per cent stake in the complex.

This will be the second largest project in China after the Three Gorges Dam project.

Now, the refinery project is waiting for approval of the State Council. A feasibility report was submitted to the State Planning Commission one year ago, according to a manager with Shell.

Sinochem To Become Trade-Investment-Financing Group

HK1004062795 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 9-15 Apr 95 p 1

[By Xiao Wang: "State OK's Its First 'Sogoshosha'"]

[FBIS Transcribed Text] Sinochem, China's largest foreign trade company, will convert into a full-fledged trade-investment-financing group by 2005, company officials said.

The China National Chemicals Import and Export Corp earned approval from the State Council on December 31, 1994 to pioneer the practice. It is the only trading company selected to do so.

Company officials said last week that the group will start to take shape next year and go into full swing in 10 years.

"At that time, Sinochem is expected to become a formidable trading group that can well compete with the world's 'sogoshoshas'—Japanese for general trading companies," said a Sinochem official.

Sinochem President Zheng Dunxun has outlined four targets for the company to become a sogoshosha.

First, Sinochem will be able to combine trade with industry.

Second, it will combine trade with financing. Sinochem acquired a powerful domestic investment and trust company in March to expand its financial capacity.

In general, Japanese and South Korean general trading companies have strong financing caliber. Most sogoshoshas can borrow from banks and then provide on-let loans to smaller enterprises. In South Korea, most general trading companies control financing corporations.

Sinochem had little financing caliber until recently.

Zheng said Sinochem's future financing activities will be somewhat different from those in Japan or South Korea, although he did not specify.

Third, Sinochem will be able to realize mergers, acquisitions and alliances of enterprises more easily so as to achieve operation of larger scale.

Fourth, Sinochem will be able to combine domestic trade with international trade. For several decades, Sinochem and other foreign trade companies have been prohibited from involvement in domestic trade, but any major trading company in Japan, South Korea or other countries can trade at home and abroad.

Zheng also said that Sinochem will experiment with the practice of a State holding company. Although he did not elaborate, he said the final goal is to make Sinochem a wholly owned State investment entity of limited liabilities.

World Food Program Provides More Aid to Ningxia

OW0804082495 Beijing XINHUA in English 0741 GMT 8 Apr 95

[FBIS Transcribed Text] Beijing, April 8 (XINHUA)—The World Food Program (WFP) has recently approved an additional 0.9 million US dollars worth of food assistance as part of its aid program of 14.1 million US dollars for the poor regions in northern China.

According to a news release by the Ministry of Agriculture, the newly supplied grain will reach 50,000 poor and illiterate women in Guyuan, Pengyang and Longde, three food-deficit and poverty-stricken counties of the Ningxia Hui Autonomous Region.

The project, called "China 4017", started in May 1994. With an initial food assistance worth 13.2 million US dollars, it was to benefit the poverty-stricken areas in Ningxia.

Also known as the "Women-in-Development" program, it aims at improving women's social and economic status through carrying out literary courses and technical training. More than 23,000 women will receive the

training for skills like food processing, mulberry tree planting, silk worm raising, carpet weaving and handicrafts making.

A total of 25,025 women will benefit from a 48-day functional literary training course which is to help them gain the ability to read and write, according to the ministry.

Local women being trained can also obtain bank loans of small amount for starting their own business on the household basis, with the guarantee fund totalling 5.9 million yuan provided by WFP.

About 20 million poor Chinese have benefited from WFP's food assistance projects worth a total of 700 million US dollars. The projects have been designed to promote grain production in food-shortage areas, the ministry reported.

The official said that among the United Nations institutions, WFP is the largest provider of assistance to China.

Shanghai Meters Company Launches Ten Joint Ventures

OW0704163395 Beijing XINHUA in English 1450 GMT 7 Apr 95

[FBIS Transcribed Text] Shanghai, April 7 (XINHUA/OANA)—The Shanghai Automatic Meters Company Ltd has launched ten joint ventures with big foreign companies over the past year in an effort to upgrade its technology.

Among its foreign partners are five trans-national companies rated among the 500 largest companies in the world, including the Ford Corporation of the United States and the Siemens Company of Germany.

Through the joint ventures, the Shanghai Automatic Meters Company is now involved in such new lines of production as office automation, factory automation, computers, automobile electronic products and household electrical appliances.

Automobile meters produced by the company and Ford, and programmable controllers built by the company and Siemens are believed to meet the advanced international standards of the 1990s.

The 23 joint ventures and co-operative businesses between the company and its foreign partners are expected to earn a total of 700 million yuan from sales this year.

Yue Qifeng Meets With ROK Company President

SK0804015295 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 7 Apr 95

[FBIS Translated Text] On the afternoon of 7 April, Yue Qifeng, secretary of the provincial party committee, met with Mr. Chong Kang-hwan, president of Taeil Precision Company Ltd. in the ROK and chairman of the board of (Zhuangtai) Electronics Industrial Company in Harbin.

After extending a welcome to Mr. Chong Kang-hwan for his visit to Heilongjiang, Yue Qifeng said: Heilongjiang is a province with abundant natural resources, and therefore the potential for the development of the province is very great. Although Heilongjiang's economic development comparatively lags behind that of the coastal southeast region, and some imperfect points exist in both tangible and intangible environment of investment, the province has already begun to pay close attention to this problem and is making great efforts to improve this situation. Therefore, I think that making investment and running plants in Heilongjiang will yield comparatively high profits.

Mr. Chong Kang-hwan is chief economic adviser to ROK President Kim Yong-sam. He is full of confidence in developing (Zhuangtai) Electronics Industrial Company into an excellent electronics industrial base of China within three years. He also takes a great interest in Yue Qifeng's proposal of commonly engaging in the scaled production of robots.

Shandong To Invest 10 Billion Yuan in Major Projects

OW0804031495 Beijing XINHUA in English 0310
GMT 8 Apr 95

[FBIS Transcribed Text] Jinan, April 8 (XINHUA)—East China's Shandong Province has decided to invest more than 10 billion yuan in construction of nearly 40 major projects, according to the provincial government.

These projects cover 10 sectors including the sectors of agriculture, water conservation, railway, highway, harbour, post and telecommunications, coal, power and raw materials.

The most famous of these projects are the second-phase construction of the Rizhao Port, construction of the Shandong section of the Beijing-Kowloon Railway, construction of an optical cable line and construction of the Qingdao Power Plant.

Beijing Uses Foreign Loans To Upgrade Infrastructure

OW0804070895 Beijing XINHUA in English 0645
GMT 8 Apr 95

[FBIS Transcribed Text] Beijing, April 8 (XINHUA)—Beijing, capital of China, has used 866 million US dollars of foreign governmental loans and presents for its 96 projects since 1979, according to the Beijing Municipal Government.

Most of the funds, which were from 14 countries including Japan, Italy, Germany, Sweden, Canada and Spain, have been directed to upgrading the city's infrastructural construction and public facilities.

So far, 60 of the projects involving more than 175 million US dollars of the loans have been completed, and construction of 16 others involving 610 million US

dollars of loans has started. Meanwhile, five of the projects involving 18.65 million US dollars of foreign governments' presents have been completed. Agreements on the rest eight projects involving 31.2 million US dollars of loans and seven projects involving 31.19 million US dollars of presents have been signed.

Set up with the Japanese Government loans, the Gaobaidian Sewage Treatment Plant in east suburban Beijing now deals with a quarter of the capital's total sewage water.

Other projects including the construction of subways and the Beijing Fire-fighting Center have also upgraded the living environment in the capital.

By the end of last year since 1979, China has used a total of 20 billion US dollars of foreign government loans and presents from 22 countries for more than 1,500 projects, according to reliable sources.

Inner Mongolia Promotes Three Pillar Industries

OW1004100195 Beijing XINHUA in English 0836
GMT 10 Apr 95

[FBIS Transcribed Text] Hohhot, April 10 (XINHUA)—The Inner Mongolia Autonomous Region, a major pastoral area in northern China, now boasts three pillar industries after ten years of painstaking efforts to boost its economic construction and restructuring.

According to official sources, the pillar industries are the metallurgical industry, including iron and steel, rare earth, and mining equipment; the chemical industry, comprising petrochemicals, coal, saline nitre and special chemicals; and the building materials industry, mainly concentrating on products such as pottery, cement and glass.

During the national Eighth Five-Year Plan period (1991-1995), the region invested nearly 20 billion yuan in basic construction and technical renovation, and set up more than 100 large and medium-sized installations for the three industries.

In addition to the giant Baotou Iron and Steel Company, which has an annual capacity of three million tons, there are 17 medium-sized and small steel firms, and 36 mines, including the world-famous Bayun Erbo iron mine.

Rich in rare earth resources, the region turns out more than 100 varieties in over 200 specifications.

The chemical industry produces 28 varieties of products, including 17 which have won national science and technology progress awards.

A number of international co-operation items, including the Baotou coal chemicals plant, a joint-venture with Japan involving a total investment of 6.4 billion yuan, are in full swing.

Furthermore, 27 major building materials projects have been completed, as well as 52 key technical renovation items.

Agriculture

Zou Jiahua Stresses Protection of Farmland

OW0904165795 Beijing XINHUA in English 1614
GMT 9 Apr 95

[FBIS Transcribed Text] Chengdu, April 9 (XINHUA)—Vice-Premier Zou Jiahua said here today local governments in southwest China should pay special attention to agriculture and the construction of farm infrastructural projects in the coming five years.

The vice-premier told officials attending an on-going regional planning conference from Sichuan, Yunnan, Guizhou provinces and Guangxi Zhuang Autonomous Region that special efforts should be made on the protection of farmland and the construction of farm infrastructural facilities including water conservation projects, renovation of lower-yielding fields as well as energy, transport and telecommunications projects.

In making plans for the coming five years, he said, all local governments should prevent cultivated farmland from shrinking and environment from worsening.

After hearing briefings by leaders of the four localities on their respective thinking on the planing of their region, Zou said that each region should take their special realities and the national economic distribution into consideration while making future development projects.

He urged local officials to base economic development on science and technological advances and pay more attention to technical renovation of State-owned enterprises and development of new products.

He said that the central government is expected to give priority of investment to central and western China during the Ninth Five-Year Plan (1996-2000) period to help quicken the pace of development of these regions.

But he pointed out that it would be a long-term process to narrow the regional gap between the east and the central and western areas, due to historical and geographical factors.

Shandong Governor Speaks on Cotton Growing

SK0804054095 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 7 Apr 95

[FBIS Translated Text] At the provincial on-the-spot meeting on cotton sowing that was held in Zouping County on 7 April, Li Chunting, deputy secretary of the provincial party committee and governor of the province, stressed: All levels of governments in cotton growing areas should further enhance their sense of urgency in strengthening cotton production in order to accomplish this year's cotton growing target by one hundred percent.

Li Chunting said: All levels of governments in cotton growing areas should regard cotton production as the central task of the current rural work and should exert even greater efforts to win victory in the most difficult

battle of cotton production. In this process, the work in the following three aspects should be ensured. First, the work of leaders should be ensured. Responsible comrades of various cities, prefectures, and counties should share out and assume responsibility for this work and should frequently go down to the grass-roots areas to supervise and examine this work. Second, the cotton sown area should be ensured. The province-assigned target of sowing 12 million mu of cotton this year must be accomplished by a hundred percent. If possible, various localities should reclaim wasteland to grow more cotton. Third, service measures should be ensured. We must get on with all the links, including the popularization of the improved varieties of cotton, technical training, and forecast, prevention, and control of plant diseases and insect pests, in order to raise the level of scientific farming. Li Chunting emphatically stressed: With regard to cotton growing area, all localities must seek truth from facts. It is forbidden to grow less but report more, or grow more but report less.

Vice Governor Shao Guifang also spoke at the meeting. It is reported that this year, the state has further raised the cotton purchasing price, raising from 544 yuan for each dan of standard cotton to 700 yuan, and has greatly readjusted the policies concerning cotton purchasing and marketing. Incentive policy will be carried out continuously for cotton transferred from the province to other areas. And, the cotton to be consumed within the province will also be subject to incentive policies in line with the transprovincial allocation method.

Grain Shortages To Curtail Inflation Fight

HK1004064495 Hong Kong HSIN PAO in Chinese
20 Mar 95 p 1

["Report Says Future Serious Grain Shortage Will Make it Difficult for China To Curb Inflation"]

[FBIS Translated Text] The Chinese Government hopes it can keep the inflation rate within 15 percent this year, but according to a report obtained by this reporter, China will continue to be short of grain until the year 2000. In addition, the need to import grain from abroad means that China will have greater difficulty in curbing inflation.

According to the Government Work Report submitted to the just-concluded Third Session of the Eighth National Peoples Congress, China had planned to keep the retail price increase within 10 percent last year, but it actually rose to as high as 21.7 percent, of which the food price increase factor accounted for 13 percentage points.

The Government Work Report proposes keeping the price increase as low as 15 percent, and states that the job of paramount importance is to vigorously develop agricultural production and increase effective supply. A Decrease in Farmland Leads to a Decrease in Grain Production [subhead]

Our staff reporter obtained a copy of a January report by the Chinese Academy of Sciences [CAS] entitled:

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"China's Agricultural Production Issue—Potential and Countermeasures." According to this report, China's grain production may have increased by 100 billion jin by the year 2000. However, based on calculations that the mainland's population at that time will number 1.3 billion, per capita demand for grain will be 800 jin, which means that the mainland will experience a grain shortage of approximately 27 billion jin. The CAS report is the most comprehensive one ever done on the mainland's agricultural production issue. It made an in-depth analysis of the reasons for the decrease in the mainland's farmland and grain production, and made predictions about future grain supply and demand. Figures supplied by the report also will serve as a basis for the Chinese Government to formulate policies.

According to the report's analysis, the reason for the mainland's grain shortage is the decrease in farmland. In the southeast, particularly, the decrease in farmland is most serious, and its grain production is decreasing drastically. The report based its analysis on five regions: the northeast (Heilongjiang, Jilin, and Liaoning), the north (Beijing, Tianjin, Hebei, Inner Mongolia, Shanxi, Shandong, and Henan), the northwest (Shaanxi, Gansu, Ningxia, Qinghai, and Xinjiang), the southwest (Sichuan, Guizhou, Yunnan, Guangxi, and Tibet), and the southeast (Shanghai, Jiangsu, Anhui, Hubei, Hunan, Jiangxi, Zhejiang, Fujian, Guangdong, and Hainan).

Of the five regions, grain increases in the southeast were the worst. When the northern and southern parts of China are compared, it can be seen that for many years, grain increases in the south were faster than in the north. Before 1984, the north basically imported grain supplies from the south. Since 1984, however, the south has imported grain supplies from the north. Calculated in terms of farmland area, between 1984 and 1993, farmland in the southeast decreased by a total of 180.95 million mu, with an annual average decrease of 2.011 million [figure as published] mu. Owing to the drastic decrease in cultivated land, total grain production in the southeast during this period decreased by 31.88 billion jin.

Regarding the decreasing size of cultivated land, the report shows that the decrease began as early as 1958, and that the situation can be divided into three stages: Between 1958 and 1978, the sown area decreased from 1.9142 billion mu to 1.80881 billion mu; between 1978 and 1984, it decreased from 1.80881 billion mu to 1.69326 billion mu; and between 1984 and 1993, it decreased from 1.69326 billion mu to 1.656 billion mu.

However, despite the continued decrease in farmland, the growth rate of China's grain production before 1984 was still higher than the rate of population growth. If 1984 is taken as the dividing line, then in the 35 years between 1949 and 1984, the average growth rate of grain production was 7.42 percent, while the average rate of population growth during the same period was 2.64 percent.

However, in the nine years between 1985 and 1993, the growth rate of grain production decreased to 1.34 percent,

while the rate of population growth was 1.51 percent. According to the report's analysis, by the year 2000, the mainland will have a grain shortage of 27 billion jin, given its estimated future population of 1.3 billion.

Grain Shortage Has To Be Compensated for by Imports [subhead]

Our staff reporter has learned through other channels that the mainland will continue to have a grain shortage of 40 billion jin this year, and must import from the international market, and that Canada will be its major grain supplier. Moreover, the mainland would have imported a total of 9 million tonnes of chemical fertilizers last year, but because both the domestic trade and foreign trade ministries wanted to control the grain-importing power, it ended up that the mainland cut chemical fertilizer imports by 5 million tonnes, thus driving up their price on the mainland. In response, the State Council called the National Work Conference on Grain, Cotton, and Chemical Fertilizers, which was held in Beijing 10-12 March.

Vice Premiers Li Lanqing and Jiang Chunyun, who are in charge of foreign trade and agriculture, attended the conference. Vice Premier Zhu Rongji, who is in charge of economic affairs, also criticized the Agricultural Bank of China for the fact that one-third of its loans last year were used for real estate, and for not ensuring that these funds were used for agricultural development. So the Agricultural Bank of China was sternly criticized.

Given the mainland's continued grain shortage, it is expected that the State Council will find it more difficult to increase grain supplies and to curb price increases by developing agriculture, and thus will find it more difficult to curb inflation. The circle of economists in Beijing estimates that it will be extremely difficult to keep the inflation rate within 15 percent, as planned by the State Council because it is very difficult to reverse in as little as one year the decreasing trend in grain production, which has been the case for years.

Grain shortages also have forced the mainland to restore the "grain coupon" system so as to ensure grain supplies for the fixed urban population. In addition, the U.S. Department of Agriculture announced last December that the mainland had purchased 1.45 tonnes of corn from the United States, the mainland's biggest cereal purchase from the United States in 12 years. The purchase caused the trading prices of cereals and soybeans on the Chicago Futures Exchange to rise. In addition, in order to alleviate its grain shortage, the mainland had purchased nearly 300,000 tonnes of winter wheat and over 1 million tonnes of wheat by the end of last year.

Regional Predictions for Grain Increase Potential, and Supply and Demand for the Year 2000 (unit: 100 million jin)

Region	Total grain output in 1993	Estimated new increase of grain output	Estimated total grain output
Northeast	1,197.5	250	1,447.5
North	2,513.2	300	2,813.2
Northwest	598.4	100	698.4
Southwest	1,525.5	100	1,625.5
Southeast	3,295.0	250	3,545.0
Total	9,129.6	1,000	10,129.6

Region	Estimated population (100 million people)	Grain demand*	Difference between supply and demand
Northeast	1.1314	905.1	+542.4
North	3.4491	2,759.3	+53.9
Northwest	0.9266	741.3	-42.9
Southwest	2.5514	2,041.1	-415.6
Southeast	4.9415	3,953.2	-408.2
Total	13.000	10,400.00	-270.4

* standard grain demand is calculated at 800 jin per person

Grain Increases in Five Regions in Four Stages (Unit: 100 million jin)

Region	1949-1958	1958-1978	1978-1984	1984-1993
Northeast	133.0	280.4	261.8	233.9
North	361.8	630.0	414.0	589.4
Northwest	99.1	138.8	88.4	135.4
Southwest	265.8	374.2	253.4	104.5
Southeast	552.9	1,053.0	867.9	-79.7

LIAOWANG Stresses Importance of Farming

HK1004074295 Beijing LIAOWANG in Chinese No 14, 3 Apr 95 p 1

[Commentator's article: "It Is Necessary To Unify Thinking to Do Well in Agriculture"]

[FBIS Translated Text] Over the past few years, the central authorities held a series of rural work meetings, which all stressed the importance of agriculture and rural issue by issuing serious warnings. Why so? This is because there exists a certain striking contrast in our social life: On the one hand, in recent years, agricultural development and rural work in our country have encountered many new problems, which, if not properly solved, may have serious consequences for the overall situation; on the other hand, some localities and some comrades have not had the necessary understanding of this important point.

With regard to the understanding of the importance of agriculture and rural issues, it is indeed time to give a serious warning to some comrades. So far, they are still muddle-headed about agriculture and rural issues, saying that our reform started from the rural areas and achieved great results acknowledged by the whole world and questioning why it is being said in such an alarmist way that agriculture is facing a serious situation today.

Nothing in the world is constant. When the Third Plenary Session of the 11th CPC Central Committee was held, the main problems in our agriculture were primarily the damage caused by the "Gang of Four," the people's commune system shaped under the influence of the previous "leftist" ideology, and other "leftist" policies, such as the "big pot" practice. Such things seriously restrained the peasants' work initiative and led to the stagnation of agricultural production. Under the guidance of the spirit of the resolution of the Third Plenary Session of the 11th CPC Central Committee, through the reform of the rural economic structure and the adoption of the contract responsibility system on a household basis linked to output, these problems were properly solved and rapid development was brought about in the rural economy for several consecutive years. However, in the middle and late 1980's, agricultural development encountered new problems. It failed to keep pace with the new situation in the development of the socialist market economy. While facing the new situation, peasants were at a loss for what to do, and the relevant administrative departments also could not work out effective countermeasures. Agriculture was bogged down in an extremely unfavorable condition. That was the root cause of the various problems that agriculture and the rural economy are currently facing. The party central leadership held a series of rural work meetings to study the new situation, unify people's thinking and understanding, and work out correct countermeasures.

With the in-depth development of economic structural reform and the market economy in our country, the people's living standards are being raised, and the market demand for farm produce is increasing. This undoubtedly provides a good opportunity for agricultural development. However, in the market economy, resources and production factors are distributed according to market needs, and this gives prominence to economic efficiency and to competition between various trades. This poses a serious challenge to agriculture. Agriculture is the foundation of the economy, the mother of all industries, but it is also a vulnerable trade. If no effective and strong support is given to agriculture, how can it withstand the winds and waves of the market economy?

The vulnerability of agriculture is caused by its own characteristics and always exists. Such vulnerability gets more prominent in the conditions of a market economy. In the past, peasants could get no other job but only engage themselves in farming. However, in the development of the market economy, they are attracted by the better economic results of other trades and shift to secondary and tertiary industries. Farmland is laying idle in many places, or

cultivation is going on in an extensive way while land is not being protected well. Moreover, tens of millions of rural laborers are leaving home to seek jobs in other provinces, and this is the most expressive example of the current problem. Peasants have less enthusiasm for farming, and this has definitely had serious effects on agricultural development. In the past, the peasants dearly cherished their land, but under the conditions of the market economy, the work of planting crops on one mu of land is not as profitable as the work of raising fish by turning the same area of land into a pond. If the land is "developed" into an industrial estate or turned into a site for in tertiary industry undertakings, the returns will be much greater than those from agriculture. When facing such circumstances, some local leaders are only keen to seek immediate benefit and make erroneous decisions by using large areas of farmland for nonfarming purposes. In the 2,000 development zones of all types, some 30 million mu of farmland is being used. Being an industry, agriculture requires inputs in order to produce an output. However, the production period in agriculture is long, and agricultural production is also facing high risks (such as natural disasters). Thus, the returns from agriculture are naturally not as high as those from the secondary and tertiary industries. As a result, people in many places are only interested in launching new projects in the secondary and tertiary industries and have no interest in investing in agriculture. They are even shifting agricultural investment, which is pitifully modest, to other economic sectors. The shift of production factors such as manpower, land, and funds from farming to other industries constitutes the root cause of the current situation in which agriculture is bogged down in an unfavorable situation in the market economy.

In the whole world, agriculture is a vulnerable industry, but, in our country, the vulnerability of agriculture is more prominent. As compared with the huge population in our country, the area of cultivated land is relatively small. In many villages, the per capita area of cultivated land is less than one mu. Moreover, for various historical and natural reasons, we are still facing an arduous land protection task as many major rivers have yet to be harnessed and the water conservancy and irrigation facilities have yet to be further developed and consolidated. Natural disasters occur frequently. The degree of applying scientific techniques to farming remains low. In such circumstances, however, we have to feed a huge population of 1.2 billion people, and the population will continue to increase by a rate of 15 million people every year. We are facing tremendous pressure on the issue of feeding the population. This is the reality we can never escape! If we cannot free the "vulnerable" agriculture from the difficult conditions as soon as possible and pave

the way for its healthy development, we will not be able to gradually improve the livelihood of the peasants, and the gap between workers and peasants and between cities and the countryside will become wider; moreover, there will be a shortage of farm produce, and the market supply in cities and towns will be strained, and inflation will thus be aggravated. At the same time, the rural market will shrink. In the end, manufacturing and all other nonfarming industries will not be able to develop further and will also shrink. This will have very serious consequences for the overall situation of reform and development.

At present, not all local and departmental leaders are clearly aware of the current situation of agricultural and the rural economy and the possible serious consequences of these problems. The lack of unified thinking will lead to a lack of concerted action. Some local and departmental leaders are only concerned about their immediate and partial interests, by which their eyes are overshadowed and cannot see the important status and effects of agriculture in the overall situation. They fail to deeply understand the policies and measures set forth by the party central leadership for developing agriculture and resolving rural problems, and even continue to do that which will weaken and harm agriculture. At present, we must stress that the whole party and the whole nation, from top to bottom, and people in all walks of life should follow the requirements of the party central leadership, give consideration to the overall interest, deepen their understanding of the issue, unify their thinking and action, make concerted efforts to carry out all policies and measures adopted by the party central leadership, and truly make agriculture the top priority of economic work. Only thus can agriculture be freed from the unfavorable situation and develop in a healthy manner.

Jiangsu Reports Rural Saving Deposits

95CE0357D Nanjing XINHUA RIBAO in Chinese
11 Mar 95 p 1

[FBIS Summary] At the end of February, rural saving deposits in agricultural banks and credit cooperatives in Jiangsu Province totaled 100.23 billion yuan, an increase of 18.46 billion yuan over the beginning of the year.

Jiangsu Province To Increase Cotton Area

95CE0357E Nanjing XINHUA RIBAO in Chinese
17 Mar 95 p 1

[FBIS Summary] At present the planned cotton area in Jiangsu Province is 535,200 hectares, exceeding the cotton area last year by 660 hectares.

East Region

Shandong's Tertiary Trade Grows at 13.8 Percent

OW0804133895 Beijing XINHUA in English 1255
GMT 8 Apr 95

[FBIS Transcribed Text] Jinan, April 8 (XINHUA)—The growth rate of service trade in east China's Shandong Province increased at an annual rate of 13.8 percent over the past decade, with the added-value reaching 119.7 billion yuan in 1994.

The figure made up 30.9 percent of the provincial gross domestic product, 17.1 percentage points over the 1978 figure.

Meanwhile, the ratio of agriculture has lowered from 33.3 percent to 20 percent while that of industry dropped from 52.9 percent to 49.1 percent. This made the economic structure in Shandong more rational.

A local government official attributed the rapid growth in service trade to combined efforts made by enterprises in all sectors.

Shanghai Subway Opens, Trolley Network Planned

HK1004051095 Hong Kong SOUTH CHINA MORNING
POST (BUSINESS POST) in English 10 Apr 95 p 3

[By Elaine Chan]

[FBIS Transcribed Text] Shanghai's 16-kilometre underground Metro Line One, linking the north and south of Puxi goes into full operation today to alleviate congestion on the city's limited and narrow roads. Line One, which took about five years to complete, will allow thousands of people to change from the dusty old public buses that up to now have been the principal form of public transport in the city. Line One's daily passenger capacity will be 370,000 and is expected to increase as train intervals become more frequent.

But much is still to be done. The director of the Shanghai City Comprehensive Transportation Planning Institute, Gu Xianrong has proposed that special viaducts be constructed across the city to run trolley buses at fraction of the cost of alternative rail systems. He said the proposal was for a 600-kilometre six-line network, with three lines running north and south and three cutting from east to west across the city. "Each line will be two carriages wide and could be finished in two years. They will have an hourly passenger capacity of 30,000," he said.

That does not mean remaining plans for six underground lines and the six-line light rail system would be shelved indefinitely. The first phase of Metro Line Two will link Jingan Temple in Puxi and Longdong Road near Zhangjiang High-tech Park in Pudong. Construction will begin this year and it is scheduled for completion by 1998.

But Mr Gu said the trolley-bus viaduct network would be a quicker partial solution to the traffic problem and give the Shanghai municipal government a breather as it continued to solicit and raise funds for the rail lines. Each kilometre of the metro line cost 700 million yuan (about HK\$642 million) to build; the light rail line in comparison would be 250 million yuan. The viaduct would cost 50 million yuan for each kilometre.

Mr Gu stressed that the two systems should run alongside each other for an efficient traffic network for Shanghai. He said one was a strong multi-storey road system including flyovers for vehicles, and the other was the 400 kilometre railway system (including underground) for passenger transport. "But construction of the rail system not only costs a lot of money, it takes a much longer time to complete," he said.

Mr Gu said viaducts for trolley buses were feasible alternatives while Shanghai made the transition to a market economy. "And when we have the means, the viaducts can be laid with rail tracks to become a rail system," Mr Gu said.

Last December, an inner ring road was opened to vehicles in the area of Puxi and Pudong, cutting traffic congestion in the area by 17 percent. As the inner ring road network will be expanded in the next two years, the population within the areas of the network is expected to drop from five million to two million.

The residents will be moved as their old houses give way to viaducts and roads. Construction of two viaducts joining the inner ring road network has started. One joining Hongqiao airport in the west to the Bund along the Huangpu River will be completed at the end of next year. The Chengdu viaduct from north to south, should be completed by the end of this year.

An outer ring road to ease traffic out of city districts is also in being planned and will be completed by 2000. Mr Gu said these plans coupled with efficient traffic management, were seen as vital to improving the traffic system. "Roads in Shanghai are already few. Now there are only three square metres of road space for every resident, but the aim to increase that to 10 square metres."

Shanghai Universities Enter High-Tech Zones

OW1004111395 Beijing XINHUA in English 1023
GMT 10 Apr 95

[FBIS Transcribed Text] Shanghai, April 10 (XINHUA)—Universities in Shanghai, the economic center of east China, are finding their way into the hi-tech development zones.

With the hi-tech industry becoming the mainstay of Shanghai's economy, local universities are trying to make the best use of their expertise and technologies to seek expansion in the hi-tech development zones.

The Caohejing New Technology Development Area, which was set up in 1988, was designated as a state-level hi-tech development area in 1991. After six years of construction the area has become an industrial park incorporating enterprises in the electronics, computers, optic-fiber telecommunications, bioengineering, new materials, electronic components, automatic instruments and aerospace industries.

Enterprises run by universities began to find their way into this area in 1991. At present, 17 universities have established some 40 enterprises in the area, covering optic and electronic technology, computers, new materials, medicine, bioengineering technology and industrial automation.

Universities have also opened branches in Pudong, one of the largest development areas in China, as a way to expand their influence. They have opened courses that meet the urgent local need, in such subjects as international business, commerce, accounting and computer manipulation.

In the past two years, more than 20 work units belonging to the universities have participated in and developed over 100 projects. A high-tech company formed by the Shanghai-based Jiaotong and Fudan universities, and more than 170 key colleges from around China has raised 120 million yuan to erect a hi-tech building in Pudong to promote its technologies. It has also built 40,000 sq m of factory and multi-functional buildings in the Jinqiao Export-Processing Area.

The universities have also launched hi-tech markets to promote and trade their technologies. Some universities have become shareholders in major enterprises.

Central-South Region

Guangdong's Daya Bay Villagers Not Notified

HK0904081595 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 9 Apr 95 p 6

[By Billy Wong Wai-Yuk]

[FBIS Transcribed Text] Villagers living near the Daya Bay nuclear plant receive no notice of breakdowns, accidents or closures and do not understand a complicated scientific text handed out by authorities. Residents of Dapeng village and Linao new village, about 15 minutes' drive from the power station, said local media never reported the plant's problems and management had not told them of Daya Bay's 13 shutdowns during its first year of operation.

"We noticed the plant had shut down recently only because of the Hong Kong news broadcasts which come across the border. There's no coverage in the local media," said villager Wang Jiannan, 32. Hundreds of people live in the two townships.

Mr Wang said the Government had emphasised to them the advantages of nuclear power but had made little mention of possible drawbacks. "It's true nuclear power has created no pollution," Mr Wang said. Residents were unsure what to do if there was a radiation leak. "I think we should stay at home and wait for the rescue workers to come," Mr Wang said. Residents have not been issued with supplies of iodine tablets which prevent the absorption of radiation.

The Guangdong Emergency Committee for a Nuclear Power Accident distributed a booklet to households in the Daya Bay vicinity two years ago. But the book's scientific jargon has stumped residents, most of whom are illiterate former farmers. Locals searched for half an hour before producing one copy. "Most of us have lost the book or thrown it away because we can't read it," said Jiang Yuqian, 70.

The Basic Knowledge Of Nuclear Power, Nuclear Radiation Protection And Nuclear Accident Contingency Plans runs to 81 pages. Two-thirds of the contents explain the development of nuclear power, theories behind its workings, the structure of power plants and details of nuclear radiation and environmental influences. The closing pages describe possible incidents and appropriate action in case of an accident. "It's too complicated. No one would bother to read it," Mr Jiang said. The Government had provided no further information, no oral warnings or other educational programmes since distributing the boxfuls of books two years ago.

"I remember they told us not to run away, stay at home to wait for rescue when there's a leakage of radiation," Mr Jiang said.

Shenzhen Planning Official Sentenced to Death

HK0804070295 Hong Kong SOUTH CHINA MORNING POST in English 8 Apr 95 pp 1, 6

[By Irene So and Ada Yuen]

[FBIS Transcribed Text] Wang Jianye, a former section head of the Shenzhen Planning Commission, has been sentenced to death. He was convicted yesterday at the Shenzhen Intermediate People's Court of taking bribes totalling more than 10 million yuan (about HK\$9.2 million) on eight occasions, bigamy and illegally crossing the border.

Wang, 42, said he would appeal against the sentence handed down by Judge Long Guangwei. He has 10 days to do so. His wife vowed to take the case to the Guangdong Higher People's Court or even the Supreme People's Court in Beijing. She said: "I'll fight to the end. There is no justice at all. No witnesses were summoned. There was no cross-examination between the prosecution and our lawyers.

"I will first try to save his life so that he can defend himself against these unreasonable charges." She said Shenzhen authorities had gone back on an assurance

given to Thai police when Wang was extradited in 1993 that he would not face the death penalty.

Wang appeared in court yesterday wearing a grey jacket and blue track suit trousers. He was handcuffed to his mistress, Shi Yanqing who was convicted of corruption, bigamy and profiteering. She was also given the death penalty, but it was suspended for two years, which she will spend in a reform-through-labour camp.

Judge Long said Shi was granted the reprieve because she confessed to her crimes. He said: "Wang had never pleaded guilty to his charges. He should be punished severely."

The hearing, delayed for 30 minutes, lasted only 20 minutes. The judge did not examine any evidence or question witnesses, instead reading out an eight-page verdict before pronouncing Wang guilty. Wang's lawyers were not present, sending only a representative to hear the verdict. After the trial, the judge declined to comment on whether Wang's sentence violated the 1993 extradition assurance saying all inquiries had to go through "relevant departments".

Both Wang's wife and her relatives said he had been treated unfairly. His wife said her lawyers were only told of yesterday's hearing on Thursday [6 April], despite the fact Chinese law states defendants' representatives should be informed three days before.

Wang was first brought to trial last January but that was adjourned shortly afterwards when the judge said more time was needed to examine the evidence.

A Hong Kong legal expert yesterday said the death penalty might not be valid if Wang did not go through the formal extradition process. Janice Brabyn, a law lecturer at the University of Hong Kong, said Thai law dictated that extradition must be carried out through diplomatic channels with approval from the court, the Ministry of Interior and the Ministry of Exterior.

"If a person is actually abducted to China, that can be regarded as a violation of the domestic law from where he was deported as well as the international law," Ms Brabyn said. "But the legality of the trial depends on whether China thinks it matters how a person gets into the country. Since China seems to have a wide discrepancy concerning the detention of suspects, it is unlikely to consider how a person gets into China," she said.

The mainland press said Wang was China's most corrupt official when he was extradited from Thailand in September 1993.

Hubei To Set Up Three Gorges Institute

OW0804160795 Beijing XINHUA in English 1512 GMT 8 Apr 95

[FBIS Transcribed Text] Wuhan, April 8 (XINHUA)—Central China's Hubei province is expected to set up the Three Gorges Institute, following approval by the State Education Commission.

The institute will enroll students from autumn this year. It will be a combination of the Yichang Specialized Medical Sciences School, Yichang Teachers College and Yichang Vocational College.

The institute will mainly engage in specialized education, with a total enrollment of around 7,000 students. It will be funded by both the provincial government and the Yichang City Government.

It will have 16 departments with 47 specialities in the areas of arts, science, engineering and medicine.

Southwest Region

Tibet Increases Investment in Construction

OW0904014495 Beijing XINHUA Domestic Service in Chinese 2131 GMT 23 Mar 95

[By reporter Ning Shiqun (1337 0013 5028)]

[FBIS Translated Text] Lhasa, 24 Mar (XINHUA)—Tibet increased its investment in infrastructural construction and completed a group of such projects with quality work, speed, and efficiency in order to lay a solid foundation for the autonomous regional economy.

Last year, Tibet's social investment in fixed assets reached 2.025 billion yuan, including 1.935 billion yuan in infrastructural construction. Of the 80 infrastructural projects that were included in the autonomous region's plans for assessment of above-norm projects, 72 were completed and put into operation, representing a completion rate of 90 percent.

The Bangda Airport, the world's highest airport (at 4,334 meters above sea level) which took 250 million yuan to construct and is one of 14 key construction projects, was completed and passed the state assessment. The project will play an important role in promoting economic development in eastern Tibet. The Lhobsa ferrochrome mine, which received 81.6 million yuan in investment and has a 60,000-tonne annual output of raw ore, and the Shannan ferrochrome mine, which received 16.7 million yuan in investment and has a 20,000-tonne annual output of raw ore, have generated new production capability and economic returns upon their completion. The 92.3-km Zetang-Gonggar highway, built with an investment of 100 million yuan, was opened to traffic. Adding to Tibet's capacity for sustained economic development are the Yamzho Yumco pump-storage power station, currently under construction; the Chaglung electric power plant; and the projects to rebuild the Qinghai-Tibet and the Sichuan-Tibet highways.

To develop Tibet's communications sector, the central authorities made investment in advance of the construction of over 700 satellite ground stations in Tibet, and launched program-controlled telephone networks in seven prefectures (cities) in the autonomous region. The state invested over 1 billion yuan to implement comprehensive agricultural development projects in the basins

of "one river and two tributaries" (Yarlung Zangbo River, Lhasa River, and Nyang Qu River), which cover over 50,000 square km of land in the heart of Tibet.

The Third Forum on Work in Tibet designated 62 projects, whose construction will require a total of 2.38 billion yuan and involves counties and villages in Tibet. Last year, preparations for 55 of these projects were completed, following which construction was started on 33 of them and 326 million yuan were used. The Tibet Alilangjiu [name as transliterated] geothermal power plant, which received 4 million yuan in investment, resumed electric generation, and the rotating kiln at the Lhasa Cement Factory, rebuilt with 10 million yuan in investment, started production.

A responsible person of the autonomous regional planning commission said that Tibet has further tightened the management of infrastructural construction; tentatively fostered the concept that major investment should produce major benefits; and established a set of regulations for investment and construction with the primary goal of improving efficiency, such as those concerning consultation, design, verification, invitations for tender, bidding, supervision, auditing, and follow-up assessment.

Tibet Official Announces Economic Targets

OW0804133595 Beijing XINHUA in English 1241
GMT 8 Apr 95

[FBIS Transcribed Text] Lhasa, April 8 (XINHUA)—The Tibet Autonomous Region plans to achieve a 10-percent increase in its gross domestic product (GDP) this year, according to the regional government.

The region's GDP—the value of goods and services produced—is targeted to total 4.64 billion yuan in 1995, a regional government official said.

The official also announced other economic targets Tibet plans to meet this year:

- Combined value of industrial and agricultural output will rise by 6.3 percent to reach 3.04 billion yuan;
- Agricultural output value will total 2.43 billion yuan, up 4.5 percent;
- Inflation will be restricted within 13 percent;
- The per-capita annual income of farmers and herdsmen will increase by 6.3 percent to 590 yuan on average;
- Investment in fixed assets will soar by nearly 85 percent to 3.78 billion yuan; and
- Imports and exports will total 124 million U.S. dollars-worth.

The regional government has decided to concentrate on curbing inflation this year in order to ensure a sustained, rapid and sound growth of Tibet's economy, the official said.

To this end, the government will step up the reform in agricultural and pastoral areas in order to spur production and increase earnings of farmers and herdsmen, he added.

Meanwhile, it will take all possible measures to speed up construction of infrastructure, particularly construction of 62 major projects.

Tibet's economic construction has got off to a good start, he said. For example, industrial production rose four percent and price increases were restricted within 12 percent in the first quarter of this year, he noted.

North Region

Beijing Vice Mayor Commits Suicide

OW0804150895 Beijing XINHUA in English 1501
GMT 8 Apr 95

[FBIS Transcribed Text] Beijing, April 8 (XINHUA)—Beijing Vice-Mayor Wang Baosen committed suicide on the evening of April 4, it was announced here today.

It has been learned that Wang, 60, killed himself ahead of facing an investigation into economic irregularities.

He was accused of economic irregularities recently.

Beijing Municipality Improves Water Control

OW0704044595 Beijing XINHUA in English 0225
GMT 7 Apr 95

[FBIS Transcribed Text] Beijing, April 7 (XINHUA)—Water-short Beijing is taking measures to develop new supplies of water and to cut down on consumption.

The city has invested 8 billion yuan in building an automatic monitoring system to measure the city's precipitation, Yan Changyuan, of the Municipal Water Resources Bureau, said today.

Measures have been taken to raise the warning level of reservoirs, hold more rain water, and replenish underground water sources by building more waterworks.

As a result, the combined amount of the city's two major reservoirs rose from 2.5 billion cubic meters in 1990 to last year's 3.6 billion cubic meters. The use of underground water declined by one quarter at the end of last year.

In 1986, the Standing Committee of the Beijing Municipal People's Congress passed a regulation on the protection and management of local water projects to provide a legal framework. Since then, 11 other regulations and provisions on water management have taken effect.

The judiciary handled 6,000 cases of water law violations. Other departments, in a related move, cleared out unauthorized buildings with a total floor space of 26,800 sq.m. [square meters] and cleared away 12,800 tons of garbage.

Water shortage is an acute problem for Beijing, which has a population of 13 million. Per capita share of water resources in Beijing are less than 300 cubic meters.

Beijing Mayor Relays NPC Session Guidelines

SK0704035795 Beijing BEIJING RIBAO in Chinese
4 Mar 95 pp 1, 4

[By reporter Sun Yushan (1327 3768 1472) and correspondent Li Zhuoyu (2621 0587 1184): "Conscientiously Implement the Guidelines of the 'Two Sessions' of the Municipality, With the 'Three Services' as the Purpose"]

[FBIS Translated Excerpt] On the afternoon of 3 March, the municipal government held its fourth plenary meeting to relay and implement the guidelines of the third session of the 10th municipal people's congress and the third session of the eighth municipal committee of the Chinese People's Political Consultative Conference [CPPCC]. [Hereafter referred to as the "two sessions."] Mayor Li Qiyuan stressed: We should conscientiously implement the guidelines of the "two sessions," do all the work of the municipality well, with the purpose of "serving the central authorities, the international and domestic contacts, and the people throughout the municipality." [Hereafter referred to as the "three services."]

Zhang Baifa, executive vice mayor of the municipality, reported the situation of the "two sessions" and arranged for the implementation of work tasks. [passage omitted]

Li Qiyuan said in his speech: At the "two sessions," people's congress deputies and CPPCC members fully affirmed the government work of last year and offered valuable views and suggestions for doing this year's work well. The unanimous endorsement of the resolution on the "government work report" by people's congress deputies not only marks an encouragement to our work but also spurs us on, and fully manifests the numerous masses' enthusiastic support to and ardent expectations on the work of the government. Once a resolution is adopted, it functions as a law. We must implement the resolution in a serious, conscientious, and resolute manner, and must implement, implement, and again implement all the tasks of this year without the slightest degree of slackness and ambiguity.

Li Qiyuan stressed: We must promote the work in all aspects, with the "three services" as the purpose. Now, Beijing's reform, opening up, and modernization are precisely at the key period, and thus the tasks in all fields are extremely arduous. To achieve success in all tasks, we must first have a unified will and common purpose. This purpose is to serve the central authorities, international and domestic contacts, and people throughout the municipality, as emphasized by us again and again. The "three services" is decided by the city nature and basic function of the capital. This is the largest characteristic of a capital. To emphasize sensitivity regarding the capital, we should first embrace the sense of "three

services," and to make a new breakthrough and a new achievement in our work, we must regard the "three services" as the start and the end of all our work and as the criterion for evaluating all our work. While conscientiously implementing the guidelines of the "two sessions," government organs at all levels in the municipality should concentrate on conducting a universal and deep-going discussion on the "three services," clearly understand the important significance and profound meaning of the "three services," try to uncover the shortcomings in ideology and work, and offer specific demands and measures for improving the work related to the "three services."

Li Qiyuan said: At present, with many tasks to perform, we must concentrate on tackling major tasks that have a bearing on the overall situation. First, we should ensure the political and social stability of the capital. Second, we should firmly carry out the measures aiming at controlling inordinate price increases. Third, we should actually and unfailingly readjust economic structure and improve economic efficiency, by regarding it as the focal point of municipal economic work. Fourth, we should concentrate our efforts on education and urban infrastructure. Fifth, we should continue to deepen reform, open wider to the outside world, and accelerate the establishment of the socialist market economic system. Sixth, we should energetically make breakthroughs in changing the economic backwardness in mountainous regions, in raising the living standards of urban people with low income, and in alleviating the housing problems of residents so that the municipality as the whole can attain the objective of having the people lead a comfortable life ahead of schedule. Seventh, we should strengthen the comprehensive management of social order. Eighth, we should wage a struggle against corruption in a firm, profound, and sustained manner. This September, the fourth World Women's Congress of the United Nations will be held in Beijing. From now on, we should make preparations earnestly and attend to all the service work for this congress.

Li Qiyuan said: We should conscientiously and meticulously implement the work in all aspects by strictly carrying out the leaders responsibility system and the system of quota responsibility. Now, the major policies of the central authorities have already been decided: the guiding principle of the municipal party committee and the municipal government and the priorities for the work of the whole municipality are extremely clear and definite, and the people's ideas and understanding are also fairly identical. So, the key lies in resolute implementation. When a locality or a unit does a good job in implementation, it will score achievements and the masses there will feel satisfactory; and when a locality or a unit indulges in "formalism," it will meet with problems, and the masses there will feel repugnance. With the spirit of seeking truth and the work style of dealing with concrete matters, we should strive to translate all policy decisions and work arrangements into the specific actions of numerous cadres and masses in a bid to forge

ahead by leaving footsteps in every aspect. We should break down this year's work quotas and tasks level by level, carry them out item by item, and conduct regular examination and verification. Governments at all levels in the municipality should pay attention to the coordination work, perfect all work systems, strengthen the supervision, monitoring, and analysis of the current economic and social situation, report information to higher authorities in a timely manner, pay attention to forecasts, and, in particular, come to know the true state of problems that affect the overall situation with a view to averting perils and firmly gaining the initiative in our work. For the motions, proposals, criticisms, opinions, and suggestions offered by people's congress deputies and CPPCC members, we should try our best to earnestly study them and resolve them. For those that cannot be resolved at the moment, explanations should be made to gain their understanding in order to reach the goal of answering all questions.

Li Qiyang said: Under the new situation, safeguarding and promoting unity among all levels of leading bodies is extremely important. Only by actually strengthening unity can we enhance the cohesive force, fighting capacity, and appeal. By stressing unity, we should first take the overall situation, which is the foundation for unity, into account. We must unify our thinking, consciously submit and orient ourselves to the general task on the work of the whole party and the whole country that were set forth by the central authorities, resolutely safeguard the authority of the central authorities, and never affect the overall situation by putting undue emphasis on partial interests. Leading bodies at higher and lower levels as well as related departments, should be encouraged to communicate, respect, understand, support, and help each other. Whenever there is a problem, leading bodies should be encouraged to make more self-criticisms in order to resolve the problem in a timely manner. Governments at all levels in the municipality must actually change the style of work. Government functionaries, leading cadres at all levels in particular, should firmly embrace the idea of serving the people through diligent administration and should earnestly overcome formalism and bureaucracy with the spirit of being highly responsible for work. In the process of promoting reform, opening up, and modernization, we should all the more stress strict observation of discipline. We must ensure smooth enforcement of orders and decrees of the central authorities as well as the municipal party committee and government to truly attain the goal that all orders and prohibitions are strictly enforced. In deciding and handling major issues, we must ask for instructions beforehand and submit reports afterwards and resolutely correct all the phenomena of violating discipline and indulging in liberalism. The system of asking for instructions and submitting reports should be strengthened. In handling major affairs, the municipal government should ask for instructions from and submit work reports to the CPC Central Committee and the State Council and then report the work to the

municipal people's congress standing committee and the municipal CPPCC committee. And, all districts, counties, and bureaus should ask for instructions from and submit work reports to the municipal party committee and the municipal government. Major issues should be part of collective discussion and the democratic centralism system.

Li Qiyang said in conclusion: In this new year, we should have new accomplishments and a new atmosphere. Let us further emancipate the mind, brace ourselves up, conduct creative work, and win a new victory in the capital's reform, opening up, and modernization, with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as a guide, by rallying closely around the CPC Central Committee with Comrade Jiang Zemin as the core, and with the leadership of the Beijing Municipal CPC Committee. [passage omitted]

Hebei Governor Views Anticorruption Campaign

SK0904074895 Shijiazhuang HEBEI RIBAO in
Chinese 4 Mar 95 p 1

[By reporter Zheng Guizhen (6774 2710 3791): "The Anticorruption Campaign Should Be Conducted Practically and Penetratingly"]

[FBIS Translated Text] The provincial government held a meeting on anticorruption work in Shijiazhuang on the afternoon of 2 March. In his speech to the meeting, Governor Ye Liansong stressed: We should understand the anticorruption campaign by raising it to the height so it bears on the life or death of the party and the nation as well as on the success or failure of reform, opening up, and modernization; should correctly handle the relations between the anticorruption campaign and reform, opening up, and economic development; and should, by persisting in the principle of "taking a two-handed approach and being tough with both hands," firmly and unswervingly launch the anticorruption campaign in a penetrating and sustained manner until remarkable results are truly achieved.

Ye Liansong emphatically talked about the issues in four aspects: Seeking unity of thinking and enhancing understanding to launch the anticorruption campaign in a penetrating manner; making unified plans and arrangements and paying attention to major points to truly implement all items of the anticorruption work; tackling problems in a comprehensive manner by looking into both root causes and phenomena and by establishing an effective mechanism of opposing corruption and encouraging administrative honesty; and strengthening leadership, clarifying duties, and actually attaining the goal of simultaneously grasping administrative honesty and administrative diligence.

After enumerating the anticorruption achievements made by the government departments throughout the province, Ye Liansong pointed out: The anticorruption

work and the achievements made in this work at the preceding stage still lag far behind the demands of the central authorities and the masses. Some departments and localities have not done nearly enough in fulfilling the tasks of the anticorruption work. Some negative and corrosive phenomena have not yet been put under effective control, and worse still, such economic crimes as embezzlement and bribery as well as the problems of abusing power for personal gain and trading power for money have remained fairly serious among law enforcement supervisory departments and economic management departments, thus arousing popular resentment. The work of having leading cadres be honest in performing official duties and be strict with themselves lacks depth; the work of investigating and handling cases has been conducted unevenly; and the work of correcting malpractices has not been conducted steadily. To launch the anticorruption campaign in a sustained and penetrating manner, the key lies in the endeavor of truly carrying through all items of the anticorruption work and straightening out the ideas and understanding of leading cadres.

Ye Liansong then made arrangements for the anticorruption work of the provincial government departments this year:

First, administrative honesty and self-discipline should be stressed continuously among leading cadres. This work should be conducted first among leading cadres at or above the county and section levels. In the course of continuously implementing the two "five-article regulations" drawn up by the central authorities and the "10 forbiddens" set forth by the provincial party committee, leading cadres should conscientiously carry out the four additional regulations newly drawn up by the Central Discipline Inspection Commission and should strictly abide by the three regulations added by the provincial party committee and provincial government—namely, it is forbidden to play mahjong, to be addicted to drink, and to give receptions and spend money without authorization. Administrative honesty and self-discipline should also be stressed among cadres at the division level of organs directly under the county (city) governments, among leading cadres of townships (towns), and among responsible persons of stations at the grass-roots level. In addition to the above-mentioned regulations, leading cadres should also abide by the following two additional regulations: First, it is forbidden to force and order the masses to do something; second, it is forbidden to extort something from the masses or pocket a portion of the profits of the masses. Administrative honesty and self-discipline should also be stressed among leading cadres of the state-owned enterprises. In addition, we should strengthen supervision over and examination of administrative honesty and self-discipline of leading cadres.

Second, efforts should be concentrated on investigating and dealing with cases on violating laws and discipline. The emphasis of this work still lies in the law and discipline violation cases committed by government

leading organizations, administrative and law-enforcing departments, and economic management departments; the cases committed by leading cadres at or above the county (section) level; and, in particular, such major and appalling cases as embezzlement, bribery, and serious dereliction of duty. Attention should be paid to investigating and dealing with cases in spheres where the crime rate is comparatively high and major and appalling cases are relatively greater, such as banking, stock, capital construction, real estate, land use approval, and land leasing spheres. In the course of seriously investigating and punishing economic irregularities, we should also pay attention to investigating and dealing with the behavior of violating political discipline. Attention should also be paid to investigating and dealing with the behavior of infringing on the overall interest for the sake of departmental, local, and partial interests in defiance of regulations and prohibitions; the behavior of seeking honor and benefits through fraud, deception, and exaggeration; and the behavior of causing grave economic losses as well as personal injury and death as a result of serious bureaucracy and dereliction of duty.

Third, the malpractices in state departments and professional trades should be checked continuously. Continued efforts should be made to clear up the unwarranted collection of charges, overseas trips with public funds, and the unpaid use of funds and property of enterprises. Effective measures should be adopted to resolutely ensure that the links between government organs and their economic entities are severed and ensure that administrative charges and fines are collected separately. Efforts should be concentrated on resolutely checking the practices of arbitrarily establishing check posts and collecting charges and fines on highways; the unwarranted collection of charges from primary and middle schools; and the collection of unjustified charges and financial levies from peasants. Malpractices in the management of electricity prices in rural areas and malpractices in the construction trade should also be checked resolutely. In line with their practical conditions, responsible departments of various professions and trades should organize special forces to earnestly tackle the conspicuous problems that have aroused public resentment.

Ye Liansong pointed out: At the moment, various reforms are under continuous deepening. We should closely combine the anticorruption campaign with in-depth reform and should pay attention to exploring effective ways to prevent corrupt phenomenon in the system, mechanism, and legal system in order to promote the campaign thoroughly. We should summarize experience, analyze typical cases, find out weak links and loopholes in management, purposefully map out prevention and supervision measures as well as relevant rules and systems, and establish and perfect the code of conduct as well as supervisory and restriction mechanisms to standardize the conduct of government leaders at all levels as well as all state functionaries.

Wu Yedu, Standing Committee member of the provincial party committee and secretary of the provincial

Discipline Inspection Commission, attended the meeting and made a speech. Chen Liyou, executive vice governor of the province, presided over the meeting. Attending the meeting were Vice Governors Guo Hongqi, Gu Erxiong, and He Shaocun. Wang Zuwu, adviser to the provincial government, also attended the meeting.

Airport Runway Improved in Inner Mongolia

OW0704111495 Beijing XINHUA in English 1030
GMT 7 Apr 95

[FBIS Transcribed Text] Huhhot, April 7 (XINHUA)—Northwest China's Inner Mongolia replaced all the earthen runways at seven local airports with newly-paved cement ones recently.

The region invested 200 million yuan in upgrading airports in the regional capital Huhhot and in the cities of Hailar, Baotou, Chifeng, and Tongliao.

It also moved three airports to better locations and improved the airport navigation facilities.

Baita (White Pagoda) Airport in Huhhot and Dongshan Airport in Hailar have been providing round-the-clock service for medium-sized airplanes such as the MP-80 and Boeing-737 since they were chosen by the State Council as frontier airports in 1992 and 1994, respectively.

Tianjin's Insurance Industry Expanding

OW0704044795 Beijing XINHUA in English 0139
GMT 7 Apr 95

[FBIS Transcribed Text] Tianjin, April 7 (XINHUA)—Insurance business has become a fast-expanding industry in this north China port city, along with the rapid growth of the local economy.

Over the past two years many major domestic and overseas insurance companies have set up offices in the city, such as the China Pacific Insurance Company, the China Life Insurance Company and the Winterthur Insurance Company of Switzerland.

So far, there are over 650 insurance offices in Tianjin, which compete with each other, but are complimentary in business fields. They deal with more than 130 items of coverage to meet various demands.

The insurance coverage includes disease, death and natural disasters.

Policies were worth a total of 250 billion yuan (about 29.6 billion US dollars) last year in Tianjin, and the total income of the insurance companies reached 1.28 billion yuan, increasing by 125 percent and 13.6 percent, respectively over the previous year.

Meanwhile, insurance companies paid out 450 million yuan in compensation last year, an increase of 42.4 percent.

Economists say that with the development of the local economy, more and more people have come to realize that insurance is necessary to protect their lives and property.

Northeast Region

Heilongjiang Holds Organizational Conference

SK0704003195 Harbin Heilongjiang People's Radio
Network in Mandarin 1000 GMT 5 Apr 95

[FBIS Translated Text] The provincial organizational work conference was held in Harbin today. The main tasks of this conference were to study ways to further improve and strengthen the selection and employment of cadres under the conditions of the socialist market economy, to discuss issues on the ideological and work style construction of leading bodies and on building rural grass-roots organizations, and to make arrangements for organizational work across the province and for providing strong and organizational guarantee for implementing the overall ideology of economic development of the provincial party committee and realizing the strategic objective of quadrupling the GNP and attaining the level of moderate prosperity.

The conference was presided over by Meng Qingxiang, member of the standing committee of the provincial party committee and director of the organizational department. Provincial leaders Yue Qifeng, Sun Weiben, Zhou Wenhua, Wang Jiangong, Ma Guoliang, Shan Rongfan, Yang Guanghong, Li Qinglin, Yu Jingchang, and Suo Changyou attended the conference.

Wang Jiangong, deputy secretary of the provincial party committee, gave a speech at the conference, entitled: "Centering on Economic Construction While Carrying Out Organizational Work, and Successfully Carrying Out Organizational Work To Promote Economic Development."

Wang Jiangong pointed out: At present and for some time to come, the guiding ideology and work ideas for the whole province's organizational work are to firmly grasp the general tasks of the whole party and the whole country, further emancipate thinking, uphold the "three criteria," act in close connection of the central task of economic construction, improve and strengthen organizational work with the spirit of reform, implement the strategy of employing able persons, strengthen the overall functions of leading bodies, promote the building of five-good project, and organizationally guarantee the realization of the grand objective of quadrupling the GNP and attaining the level of moderate prosperity by the end of this century.

In expounding on the strategy of employing able persons, Wang Jiangong pointed out: Implementing the strategy of employing able people is the practical need of fighting a good battle in revitalizing Heilongjiang's economy. To implement this strategy, we must renew the concept of

employing able people and changing the mechanism of employing workers on the premise of upholding the principle of making the ranks of cadres more revolutionary, younger in average age, better educated, and more professionally competent, and adhering to the criterion of recruiting cadres with both ability and political integrity, tap the hidden ability of the existing ranks of cadres to the greatest extent, and try our best to recruit outstanding professionals who can create a new situation. To implement this strategy, we must emancipate thinking, discard the concept of selecting cadres according to seniority, not stick to one pattern while recruiting trained personnel, discard the concept of seeking perfection, let cadres display their strong points, discard the concept of giving simultaneous consideration to all, and recruit personnel in line with the professional needs. It is necessary to comprehensively and correctly implement the criterion of recruiting cadres of both ability and political integrity and embody the spirit of the times. To implement this strategy, we must pinpoint the priorities, do a good job in installing the party and government leading bodies of counties, cities, and districts, readjust and replenish the leading bodies of large and medium-sized enterprises, select and install the leading bodies with outstanding trained personnel who can open up the second battlefield of economic development, and make new breakthroughs in selecting young cadres. In cultivating and selecting outstanding leading personnel, we should uphold the correct guidance, arm cadres with scientific theories, select cadres who have outstanding achievements in their career, judge cadres according to public opinions in society, use the competition mechanism to guide cadres, and train and improve them in the course of practice.

Referring to the issue of strengthening the overall functions of leading bodies, Wang Jiangong called on leading bodies at all levels across the province to unify thinking and actions in line with the provincial party committee's overall ideology of economic development, guarantee the smooth implementation of government orders and decrees, persist in proceeding from reality, carry out work creatively, persist in combining collective leadership with individual division of labor and responsibility, strengthen the building of democratic centralism, give strict management and supervision, and strengthen the building of a diligent and clean government.

In referring to promoting the five-good project and comprehensively strengthening the building of rural grass-roots organizations, Wang Jiangong stressed: It is necessary to place the emphasis of building good leading bodies in selecting good leaders, the emphasis of building a good contingent in raising quality and giving play to its role, the emphasis of choosing a good path for economic development in promoting the industrialization of the rural economy, the emphasis of perfecting the operational mechanism in strengthening the vitality for development, and the emphasis of establishing a good management system in conducting democratic management and running the villages in line with law.

Wan Jiangong also offered views and set forth demands on realistically strengthening leadership, further enhancing organizational work, and serving the economy.

Heilongjiang Party Secretary Attends Forum

Receives 'Work Briefings'

SK0704061495 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 6 Apr 95

[FBIS Translated Text] While listening to work briefings given by the Harbin city party committee this morning, Yue Qifeng, secretary of the provincial party committee, stressed: Harbin city should play a leading role in the course of improving the province's economic environment.

After inspecting some large enterprises and institutions of higher education in Harbin, Yue Qifeng, secretary of the provincial party committee, travelled to the Harbin city party committee this morning. Suo Changyou, secretary of the Harbin city party committee, gave a detailed account of Harbin city's economic work situation of the previous stage to Secretary Yue. First, he reviewed the city authorities' recent efforts to carry out a series of work to improve the economic environment.

While affirming the work achievements, Yue Qifeng stressed: Harbin is a central city of our province and has a high renown. Take the three types of foreign-funded enterprises for example: half of the province's three types of foreign-funded enterprises are located in Harbin. To see Heilongjiang's investment environment, we should first see Harbin. So, Harbin's economic environment, whether good or bad, will greatly affect the whole province. Harbin city should fully recognize this relation, and march in the van of the province in improving the economic development environment. If Harbin does a good job in solving this issue, it will play a better role in bringing along the whole province.

In referring to some problems on Harbin's unrelaxed economic development environment, Yue Qifeng adopted an unequivocal attitude. He held that it is necessary to admit that Harbin has a fairly great number of these kind of problems. He said: The environment is created by the people, thus, improving the economic environment has become the leading work of the whole province. So, we must make great decisions to change the ideologies and concepts that cannot meet the demands of reform and opening up. Problems on arbitrarily abusing powers or authority to interfere with the legal business of enterprises, to seek personal gain, and to extort money or articles from other people; and problems on adopting improper personnel employment mechanisms that happen in some departments must be resolved. In solving these problems, we must adopt a clear-cut stand and distinguish between right and wrong, and must not allow both parties to claim to be in the right. We must carry out our work in accordance with Comrade Deng

Xiaoping's three criteria, realistically regard economic construction as the central task, never seek departmental interest, interest for a small group, or interest for the individuals. If we fail to make up our minds to solve these problems, our work will surely be obstructed even though we have good ideas and subjective desire.

Suo Changyou told Secretary Yue: The issues on the (Shiyitang) pharmaceutical plant and on Zhonglian commercial building instructed by Secretary Yue have been studied by the Harbin city party committee and will be resolved as quickly as possible.

Yue Qifeng said: We should draw lessons through handling these issues because if we fall into the pit we may gain wisdom.

Yue Qifeng also said that it is inevitable for some people to be eliminated through selection or competition in the course of changing minds. However, we must persist in changing minds more frequently and changing fewer people. He also proposed that we should not allow those who have not changed their mind to take the place of those who have changed their mind.

When Suo Changyou touched on the issue that Harbin had investigated and laid bare the facts and made corrections in the course of conducting the discussion on improving the economic environment, Yue Qifeng said: During discussion, we must not make empty talk. It is necessary to find out the positive and negative cases and do a good job in summing up experiences and lessons; if not, all our remarks will be empty talk. It is not realistic to discuss the cases of other people, but not our own. We should put the emphasis on implementation and grasp this work well until good results are achieved.

Yue Qifeng expressed the hope that Harbin would discover a batch of cadres who have real skills in the course of improving the economic development environment and realizing the provincial party committee's economic development ideas, rely on the men of action to tap the potentials of Heilongjiang and Harbin as quickly as possible, and enable the province's economy to rapidly take off.

Today Yue Qifeng has also jointly probed into the issues of opening up the second battlefield, giving play to the advantages of trained personnel of large enterprises, institutions of higher learning, and various scientific research institutes in Harbin, realistically decontrolling and invigorating the use of scientific research workers, and accelerating the conversion of scientific research findings, and other related issues along with members of the leading bodies of the Harbin city party committee. He said: It is hoped that you will have courage to go ahead, to try, and to blaze new trails, and establish group companies like (Lianxiang), Stone, and Fangzheng group companies.

Addresses Forum

SK0704062495 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 6 Apr 95

[FBIS Translated Text] Yue Qifeng, secretary of the provincial party committee, held a forum with the deputy secretaries and organization department directors of prefectural and city party committees, who were attending the provincial organizational work conference, on the afternoon of 6 April. Focusing on the theme of how to use cadres and trained personnel well to provide a powerful organizational guarantee for economic development, the participants communicated their ideas and exchanged their opinions.

Yue Qifeng pointed out at the forum: Using cadres and trained personnel well constitutes an important fulcrum for implementing the provincial party committee's general idea for economic development. We should renovate our concepts on employment, reform the employment mechanism, create a good environment for outstanding personnel to develop their intelligence and wisdom and an ample scope for their abilities, and train and select a large number of personnel with genuine skills and abilities in the course of practice in order to make Heilongjiang's economy flourish further.

Wang Jiangong, deputy secretary of the provincial party committee, chaired the forum. Present were Meng Qingxiang, standing committee member of the provincial party committee and director of its organization department; and Li Qinglin, standing committee member of the provincial party committee and secretary of the provincial discipline inspection commission.

Based on their own work and understanding, the participating comrades analyzed Heilongjiang's current conditions in the cadres' work, summarized experiences and lessons, and probed into the new ways to make organizational work successful in the new situation.

Yue Qifeng said at the forum: The current provincial organizational work conference is very important. Our endeavor to implement the guidelines of this conference should be coordinated with our current discussion on improving the environment for economic development. The creation of a relaxed environment for economic development depends on human efforts. The crux of the inability to create a relaxed environment lies in man. A good environment for development can be created only when we use trained personnel and cadres well. The work to improve the environment for economic development may be more difficult than defining a good idea. If this issue is not addressed well, the implementation of ideas for economic development may suffer setbacks. Party committees at all levels, including organization departments, must exert conscientious efforts to make this work successful. To improve the environment for economic development, we should expose contradictions, present facts to reason things out, summarize experiences and lessons, and never give empty talk or

talk frivolously and insincerely. We should educate cadres through discussions. We should persist in the practice of changing people's concepts rather than changing personnel, and should reshuffle the persons who do not change their concepts lest those who refuse to change their concepts elbow out those who have changed their concepts. We should adopt organizational measures, when necessary, or even disciplinary action to deal with those who persistently refuse to change their concepts.

Yue Qifeng said: Heilongjiang has very rich resources of trained personnel. The current problem is our inability to retain the trained personnel and to let them in. How to discover and make use of these resources and how to use trained personnel flexibly and successfully pose an important task for us. Heilongjiang will have bright prospects for development if it can truly establish an employment mechanism compatible with the socialist market economy, create a good environment for trained personnel to develop their intelligence and wisdom, and provide them an ample scope for their abilities.

Yue Qifeng pointed out: We should pay attention to training and improving cadres through practice. The province will soon select and send a group of cadres of the provincial-level organs to undergo training at the grass-roots levels. All prefectures and cities should also do so and send some cadres to towns, townships, villages, and enterprises with difficulties. Cadres sent to lower levels should truly settle down at the lower levels and do their work in a down-to-earth manner at the grass roots. There will be no time limit for their assignment at the lower levels, and no guarantee for their future transfer back. This way, these cadres will truly temper themselves, and we will be able to discover real talents from them. A success in this work will have an important significance for us to help cadres embrace a correct outlook on life and world and enhance their abilities, and for us to train qualified successors.

Yue Qifeng emphasized: The unhealthy trends in employment are the sources of many other unhealthy trends. While improving party building and the contingent of cadres, organization departments should exert great efforts to deal with the unhealthy trends in employment. They should regard the endeavor of correcting the unhealthy trends in employment as an important aspect of the campaign for opposing corruption and advocating honesty, and make it a success. They should include in their schedule the work to upgrade the contingent of the cadres in charge of organizational work. Organization departments shoulder glorious tasks and heavy responsibilities. In the management of cadres, they should avoid taking charge of too many things, but they should make their management successful. They should undertake to establish a good employment mechanism and create a good employment environment. They should delegate some powers to lower levels and, through this, integrate the efforts to manage work with those to manage personnel. When evaluating cadres, we should

keep economic work and the implementation of the target responsibility system in mind. Economic work departments, in particular, should work out mandatory targets. If a locality or a department fails to promote its economy and fails to effect a small change in one year, a medium change in two years, and a big change in three years, its cadres cannot be regarded as good cadres. It is hoped that organization departments at all levels will truly make the fulcrum—the good use of cadres—still stronger in order to facilitate the implementation of the provincial party committee's general idea for economic development.

Wang Jiangong, deputy secretary of the provincial party committee, said at the forum: The key to winning a victory in Heilongjiang's economic development and attaining the targets of 300-percent increase and moderate prosperity lies in selecting and using personnel well. As an extremely important department of a party committee, the organization department shoulders an important mission to optimize the environment for economic development and to liberate and develop productive forces. It is hoped that organization departments and cadres in charge of organizational work will embrace the sense of honor and sense of responsibility, serve as good advisers and assistants to party committees, and fulfill their mission.

Stresses Family Planning

SK0904054195 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 8 Apr 95

[FBIS Translated Text] At the provincial forum on family planning work held on 8 April, Yue Qifeng, secretary of the provincial party committee, pointed out: Under the new situation, family planning work should be conducted with new methods to create new experience. It is wrong to set family planning work against economic work. Beefing up economic work constitutes the prerequisite and foundation for achieving success in family planning work.

At the forum, Yue Qifeng, secretary of the provincial party committee; Shan Rongfan, deputy secretary of the provincial party committee; and Zhou Tienong, vice governor of the province, exchanged views and conducted extensive discussion with principal leaders of 14 localities, as well as leaders of the provincial family planning committee on how to achieve success in family planning work under the current situation.

While speaking of the situation in the province's family planning work, Yue Qifeng said: The province has done a fairly good job and scored comparatively outstanding achievements in conducting family planning work, thus joining the ranks of first-class provinces in the whole country. The province's family planning work is far better than its economic work and industrial production. It is hoped that family planning departments at all levels in the province will continue to maintain and consolidate their achievements and make this year's family planning work even better.

On how to successfully grasp the province's family planning work, Yue Qifeng said: From now on, as demanded by the central authorities, top leaders of various localities should personally take a hand in and assume major responsibility for family planning work. Party committees at all levels should pay high attention to this work and coordinate with various family planning committees to handle the work and tackle problems in a comprehensive manner. A pressing matter of the moment is to beef up the economy. Beefing up the economy constitutes the prerequisite and foundation for making family planning work a success. Only after the economy and culture develop, can the traditional ideas on family planning be changed, and can family planning work be grasped successfully. Now, there are many laid-off workers in the province, and it is a new question how to manage these workers well. Therefore, under the new situation, we must map out new methods and explore new experiences. We should get on with family planning work under the principle of not changing policies, organizations, and targets.

Yue Qifeng stressed in conclusion: The emphasis of family planning work lies in rural areas. We should strengthen propaganda and education in rural areas, guide peasants to change their concept on marriage and childbearing, and advocate late marriage and childbearing among peasants. In the vast countryside, the activity of becoming rich rapidly by giving birth to fewer children should be launched. At the same time, mass organizations as well as Communist Youth League organizations should utilize their advantage of being close to the masses to mobilize the vast numbers of rural women to engage in diversified management in order to shift their attention to the endeavor of earning money to lead a comfortable life. It is impossible to achieve success in family planning in rural areas by simply grasping family planning. Only after the rural economy is beefed up, can peasants' concept on marriage and childbearing be changed, and can family planning work witness a success.

Heilongjiang Experiments With Wage System

SK0904033095 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 8 Apr 95

[FBIS Translated Text] Recently, a pertinent department of the provincial government has chosen five large and medium-sized state-owned enterprises to participate in an experiment with the manager annual wage system. These five enterprises include Heilongjiang (Longji) Limited Company, Jiamusi Papermaking Limited Company, (Hualin) Group Corporation, Qiqihar No. 2 Machine Tool Plant, and Heilongjiang (Yimianpo) Brewery. The major content of this system is to decide the annual income level of managers based on the scale of their enterprises, the income level of their localities and their enterprises, and the management condition of their enterprises, particularly their contributions to the state and the situation in preserving and increasing the value of assets.

The pertinent department of the provincial government has also drawn up the provincial method for the experiment of the annual wage system among managers of state-owned enterprises to guide and standardize the experiment of this system. This method stipulates: The annual wage system decides on the basic remuneration of managers once every production and operation period or every fiscal year by considering management results, with venture income added on a floating and revenue-sharing basis. Managers' annual wages are composed of the annual base pay and the annual venture income. The standard of a manager's annual base pay can be approximately three times the average wage of workers of its enterprise in the previous year. With his annual base pay as a base, a manager's annual venture income is mainly decided by the economic efficiency of his enterprise in the same year and by the degree of responsibility assumed by the manager for the production and management of his enterprise and the degree of management risk. A manager's annual venture income can be 150 percent of his annual base pay at the most.

This method has stipulated the scale of the pilot annual wage system, the principles to be followed by this system, and the fixing, payment, and management of the annual wage and income of managers.

Jilin Car Plant To Build Second Production Line

OW0604085695 Beijing XINHUA in English 0823 GMT 6 Apr 95

[FBIS Transcribed Text] Changchun, April 6 (XINHUA)—A chassis for a car produced by the Changchun Light Auto Plant under China's No.1 Automotive Group Corporation, has been selling well, indicating bright prospects for China's refitted light auto industry.

According to Zhang Shengcai, director of the plant, it sold 9,400 chassis in 30 varieties for refitted autos last year. By now, the enterprise has received orders for twice the amount of last year. A station wagon plant in Zhangjiagang, in east China's Jiangsu Province, alone purchased chassis worth ten million-yuan from the factory.

With customers turning to 125 auto refitting plants in 25 provinces and autonomous regions, the Changchun Light Auto Plant, which has an annual production capacity of 60,000 automobiles and chassis, cannot meet the market demand.

To further boost its output, the factory is busy building a second chassis production line which will go into operation at the end of the year.

Northwest Region

Third Session of Gansu People's Congress Convenes

Hears Court Report

HK0604073695 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 31 Mar 95

[FBIS Translated Text] At the third plenary meeting of the Third Session of the Eighth Gansu Provincial People's Congress on the afternoon of 30 March, Wang Shiwen, president of the Gansu Provincial Higher Court, delivered the court's work report to the people's congress.

In his report, Wang Shiwen first reviewed the work results of courts throughout the province. In the past year, the courts handled a total of 79,358 criminal, civil, economic, and administrative cases, an increase of 18.9 percent over the previous year. The courts wound up the trials of 76,086 cases, an increase of 19.6 percent. The rate of cases being wound up reached 94.6 percent.

Wang Shiwen said: Courts throughout the province continued to conduct fairly the trials of various cases according to the law, changed the forms of trials and hearings, carried out in-depth investigations and studies, and adopted effective measures to guarantee smooth legal procedures.

When discussing judicial work between 1995 and 1996, Wang Shiwen said: First, the anticrime struggle will be carried on, in order to guarantee and promote economic development. Second, law enforcement will be carried out seriously, and the quality of case handling and the level of the judicial work will be enhanced. In light of the requirements of the PRC Judges Law, courts will make efforts to consolidate the contingent of judges. The courts will make new and greater contributions to the maintenance of social stability, and to reform, opening up, and economic development in this province.

Hears Report on Procuratorate

HK0604075195 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 31 Mar 95

[FBIS Translated Text] At the third plenary meeting of the Third Session of the Eighth Gansu Provincial People's Congress on the afternoon of 30 March, Li Dekui, chief procurator of the Gansu Provincial People's Procuratorate, delivered before the congress a report on the work of the provincial procuratorate.

In his report, Li Dekui said: In 1994, procuratorial organs throughout the province conscientiously performed their legal supervisory functions, concentrated their strength on investigating and handling cases of corruption and bribery, and dealt severe and rapid blows at criminal offenses according to the law. New progress was made in all fields of procuratorial work. Last year,

procuratorial organs throughout the province handled a total of 1,589 cases of economic crime, including corruption and bribery, and brought prosecutions in the people's courts in 296 cases, involving 357 accused people. Through the handling of such cases, the procuratorial organs retrieved more than 36 million yuan of economic losses for the state and collectives.

Li Dekui said: The main tasks this year are to deal further blows at corruption, bribery, and other economic crimes; to achieve results in handling major and serious cases; to crack down on serious criminal offense; and to intensify the crackdown and increase its results. In the field of law enforcement supervision, efforts will be made to eliminate corruption in the course of law enforcement and in legal procedures. Corruption and criminal offenses among law enforcement personnel will be investigated and handled. Efforts will be made to improve the quality of work and the integrity of judicial personnel, and to achieve new results in preventing corruption in law enforcement organs.

Ningxia Increases Number of Ethnic School Children

OW1004111295 Beijing XINHUA in English 1014
GMT 10 Apr 95

[FBIS Transcribed Text] Yinchuan, April 10 (XINHUA)—The once-shabby clay-walled classrooms have long since disappeared from a primary school in northwest China, instead, a newly-built commodious school building accommodates 660 children.

The change in the school, which is located in Lingwu, one of the poorest counties in Ningxia Hui Autonomous Region, has added brightness to the development of local primary education.

Over the past four years the region, home to most of China's Muslims, have carried out a UN program aimed at strengthening basic education in poor areas. One hundred selected primary schools in its ten poorest cities and counties have played a key role in the project.

According to Wang Shifu, deputy director of the regional educational department, 98.7 percent of school-age children in poor areas in Ningxia are in school, and 97.7 percent of the population has had primary education.

The number of child dropouts has decreased sharply. Today 91.2 percent of girls go to school, while only a few years ago, only 57.4 percent did.

Education has long been under-developed in Ningxia, especially in its southern mountainous areas. Many families there were not willing to send their children to school, and few girls received even fundamental education.

Statistics show that several years ago about 32 percent of the people in Ningxia's mountainous areas were illiterate, and only 88 percent of children went to school.

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Since the early 1990s Ningxia has pooled education funds totalling 9.95 million yuan (about 1.17 million US dollars), with two million from the regional budget. The local government has set up 300 schools for children in the mountainous regions, and earmarked 200,000 yuan to improve teaching conditions and install electronic teaching equipment.

Meanwhile, a government-funded program trained 2,000 teachers between 1991 and 1994. About 96 percent of primary-school teachers now are qualified, while the proportion was 88 percent before.

Counties and towns have organized 900 adult education classes, which have attracted 88,000 people. Community education services have been founded to help dropout children.

Wang said that Ningxia religious circles are playing an important role in supporting the spread of primary education.

In the southern poor mountainous area of Ningxia, 44 percent of the residents are Hui people.

In recent years religious leaders have begun to explain the importance of education to Moslems and persuade them to send their children to school. Some imams have donated money to schools, and some have helped children go back to their classroom.

Ma Shengming, an imam in Lingwu County said, "Ethnic regions have long suffered from backward economies due to poor education. We should make every effort to support the development of education in our hometowns."

A UN official said that Ningxia has accumulated experience in calling on religious circles to render support for education. This is of considerable significance, not only for the development of education in China's ethnic areas, but also to the Muslim countries of the whole world.

Xinjiang Raises 102 Million Yuan for Education

OW0604085595 Beijing XINHUA in English 0832
GMT 6 Apr 95

[FBIS Transcribed Text] Urumqi, April 6 (XINHUA)—Northwest China's Xinjiang Uygur Autonomous Region has collected about 102 million yuan to improve schooling and reward a large number of outstanding teachers.

The Xinjiang Education Foundation, which was set up in 1988, asked everyone to donate one yuan each month to provide assistance for education in remote and poor areas in 1990.

Wang Enmao, former vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, offered the first 2,000 yuan as an example of support for the drive.

Zhang Ming, a soldier, saved 350 yuan and donated it to the Foundation though his own family is not so well-off. Li Yong, a young handicapped worker, also contributed 100 yuan.

The past five years have seen the foundation able to allocate more than 60 million yuan to revamp teaching buildings in elementary and high schools.

The other 38 million yuan has been used to give rewards to about 30,000 outstanding teachers and other persons engaged in the field of education. It was also used to give commendations to students who won prizes in various regional and national competitions, to publish textbooks, and to allow teachers to visit other parts of China, or Japan and neighbouring central Asian countries.

Xinjiang Builds Environmental Protection Projects

OW1004083895 Beijing XINHUA in English 0758
GMT 10 Apr 95

[FBIS Transcribed Text] Urumqi, April 10 (XINHUA)—Northwest China's Xinjiang Uygur Autonomous Region has invested 650 million yuan to build more than 2,100 environmental protection projects over the past decade.

A survey conducted by the regional environmental protection departments showed that in the region's 16 major cities, about 90 percent of the smoke generated by factories is treated, a rise of 40 percentage points compared with 1985, while treatment of industrial waste gas has reached about 53 percent.

The survey also showed that the region has built gas-heating projects in 16 cities, covering an area of 5.7 million sq m, and 81 smoke-free zones totalling more than 100 sq km.

Over the past 10 years the regional government has invested 160 million yuan to build 415 industrial waste water treatment projects, and now about 44 percent of waste water is treated.

According to the survey, the total amount of waste water produced by the 16 cities last year has been reduced by 130 million tons compared with 1985, a drop of eight percent.

To reduce noise pollution, the region has dealt with 547 sources of noise, installing about 2,000 pieces of noise-abatement equipment in this regional capital.

In addition, the regional green coverage rate in the 16 cities has reached 26 percent, with the green area totalling nearly 9,000 sq km.

Continuing Reportage on Spratly Islands**'Authorities' Warn Against Intrusion***OW0904095595 Taipei Voice of Free China in English
0200 GMT 8 Apr 95*

[FBIS Transcribed Text] Authorities Thursday [6 April] warned any foreign and mainland China vessels against intruding into Taiwan's territorial waters in the disputed Spratlys, [words indistinct] more attacks from Taiwan (?troops). The warning was viewed as a move by authorities to uphold Taiwan's sovereignty over the archipelago, following an aborted patrol mission that triggered violent criticism by legislators and a decision by the Control Yuan to investigate the case.

Premier Asserts Sovereignty*OW0904095395 Taipei Voice of Free China in English
0200 GMT 8 Apr 95*

[FBIS Transcribed Text] Premier Lien Chan Friday [7 April] reaffirmed the ROC's [Republic of China's] claim of its sovereignty over the Spratly Islands in the South China Sea. Speaking at the Legislative Yuan, or Parliament, Lien said the ROC has indisputable sovereignty over the islands group. Based on that fact, the premier said the ROC Government adopts a five-point policy. The policy includes: The ROC's sole sovereignty claim over the Spratlys, well-run management of the area, promotion of international cooperation, peaceful settlement of international disputes, and emphasis on ecological balance.

Meanwhile, Interior Minister Huang Kun-hui said the aborted patrol mission scheduled earlier this week is part of the ROC's policy on protecting its fishermen, and it has nothing to do with the sovereignty issue. Therefore, he added that ROC's sovereignty over the Spratlys remains firm and unquestionable, no matter whether ROC patrol boats have concluded their planned mission.

No Plans for Military 'Patrol'*OW1004103095 Taipei CNA in English 0939 GMT
10 Apr 95*

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, April 10 (CNA)—The Republic of China [ROC], although claims sovereignty over great part of the South China Sea, is not planning to send troops to patrol the region, said National Defense Minister Chiang Chung-ling Monday.

Fielding questions at the Legislative Yuan, Chiang said no plan to set up a defense command or to increase troops in the Spratlys is being considered. The only ROC Navy activities around the region, he said, are the navy ships which regularly ferry supplies to the Taiping Island, the largest of the Spratlys on which a battalion of ROC troops have been stationed since 1956.

The legislators' inquiries came in light of a series of disputes erupted recently involving several countries which claim sovereignty over the Spratlys, including Mainland China, Vietnam, and the Philippines.

Meanwhile, Chiang stressed the importance of maintaining set amount of budget for national defense, saying that even after Taiwan and Mainland China forged peace accord someday, Taiwan cannot afford to abandon its defense capacity.

Only with strong defense power can Taiwan hold chips in negotiations with Mainland China, he said.

Navy Saves Philippine Fishermen*OW1004022395 Taipei CNA in English 0150 GMT
10 Apr 95*

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, April 8 (CNA)—Republic of China [ROC] troops stationed on Taiping Island rescued 13 Philippine fishermen in March, Navy headquarters said Saturday [8 April].

The Philippine fishing boat was anchored at sea six miles from Taiping Island, the largest island in the Spratly Islands chain. As the ship was suffering from mechanical problems, ROC Navy ferried supplies to the 13 fishermen on the boat.

The fishermen were unable to repair the ship and the ROC Navy contacted the Philippines to help remove the boat, Navy headquarters added.

Official Comments on F-16 Deal With U.S.*OW1004094095 Taipei CNA in English 0856 GMT
10 Apr 95*

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, April 10 (CNA)—A Republic of China [ROC] military official said Monday [10 April] he sees little chance of the United States selling Taiwan 28 F-16 jet fighters originally destined for Pakistan.

The senior official with the Ministry of National Defense was commenting on foreign wire service reports that the U.S. Government has decided to shelve shipment of 28 F-16s to Pakistan for political reasons and may sell the fighter planes to Taiwan.

"Taiwan will benefit if the U.S. is really willing to sell the aircraft to us," the officials said. Nevertheless, he said, he is not sure whether the Legislative Yuan will approve budget for the deal.

Taiwan has purchased 150 improved F-16 A/B fighters from the U.S. The first batch is scheduled to be delivered in late 1996.

The official said he is not sure if the aircraft originally destined for Pakistan were the same version as those purchased by Taiwan.

If the aircraft are advanced F-16 C or D fighters, the official said, he does not think the US would sell them to Taiwan. F-16 C/D fighters are equipped with more powerful weaponry systems than the F-16 A/B.

In addition to 150 F-16s, Taiwan has also purchased 60 Mirage 2000-5 fighters from France and will produce 130 Indigenous Defense Fighters (IDFs).

"When the ROC Air Force takes delivery of the new planes, its capability to protect Taiwan's air space will be greatly upgraded," the official noted.

He further revealed that the F-16 deal with America's Lockheed Corp. has proceeded smoothly. "Production and testing work are proceeding as scheduled," he added.

National Unification Council Meeting Reported

Council Convenes

OW0804093595 Taipei CNA in English 0918 GMT
8 Apr 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, April 8 (CNA)—The National Unification Council convened its 10th session Saturday [8 April] morning, with President Li Teng-hui presiding over the opening.

Speaking at the opening, Li expressed gratitude to the 22 researchers and 30 council members for the contributions they have made in charting measures for the national unification since the council's founding in 1990.

The council heard reports by Deputy Presidential Secretary-General Raymond Tai, Mainland Affairs Council Chairman Hsiao Wan-chang and National Security Bureau Director Yin Tsung-wen.

Yin, Taiwan's intelligence chief, warned against Beijing's two-pronged tactics in dealing with Taiwan. "The Beijing authorities, while clamoring for peace negotiations with Taiwan, have not ceased their long-standing threat to take Taiwan by force," Yin pointed out.

He said the Chinese mainland is now undergoing a transition of power featuring "a Deng Xiaoping age without Deng." There are reports that Deng, 90, is in poor health.

Later in the day, Li is expected to formally respond to Chinese President Jiang Zemin's recent eight-point policy statement on Taiwan.

Officials Comment on Unification

OW1004014495 Taipei CNA in English 0113 GMT
10 Apr 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, April 8 (CNA)—The Government of the Republic of China [ROC] will continue to pursue national unification, but Beijing must first admit to the reality that China is now divided and ruled by two separate governments, a ranking government official said on Saturday [8 April].

While both sides of the Taiwan Strait share the same belief of "one China," Beijing insists that the one China be represented by the People's Republic of China, but Taipei thinks that it should be the Republic of China founded in 1912, Raymond Tai, deputy presidential secretary-general, said in his report to a one-day meeting of the National Unification Council.

Tai described the problem as "both sides having different versions of the base argument." Beijing's deliberate denial of the ROC's existence on Taiwan is totally unacceptable, Tai said.

Besides, Tai added, Beijing does not specify which type of political system would rule a unified China. In contrast, the national unification guidelines drafted by Taiwan envisions a unified China featuring freedom, democracy and equal distribution of wealth. "This China ought to be built based on the well-being of all the Chinese people," Tai asserted.

He also defended the design of the national unification guidelines, which call for the unification of China in three stages—short, medium and long-term.

A proposed meeting between President Li Teng-hui and mainland Chinese President Jiang Zemin should also come under the guidelines' binding and take place first at international conference occasions, Tai said. Only after the bilateral ties move into the defined "medium-term" under which hostilities are removed will there be a mature climate for the exchanges of high-level visits, Tai added.

In a separate report, Hsiao Wan-chang, chairman of the Mainland Affairs Council, said his council will continue seeking closer economic ties with the mainland, further strengthening cultural and education exchanges, and expediting the talks on technical affairs.

Hsiao emphasized, however, that the existence of the ROC must be fully respected, Taiwan's security be safeguarded and Taiwan's international status be recognized.

He criticized Beijing's failure to admit the substantial differences between the two sides, saying that the gap is the single largest barrier to the integration of China.

'Text' of President's Speech

OW0904055695 Taipei LIEN HO PAO in Chinese
9 Apr 95 p 2

["Text" of speech by Taiwan President Li Teng-hui at the National Unification Council meeting in Taipei on 8 April]

[FBIS Translated Text] On 8 April, President Li Teng-hui presided over the first meeting of the reorganized National Unification Council [NUC] as its chairman. He delivered a speech and put forward a six-point proposal, following the discussion on the meeting agenda, which was a reply to the eight-point proposal made by Communist China's General Secretary Jiang Zemin on cross-strait relations.

The full text of President Li's speech follows:

Today is the first meeting of the reorganized NUC. We heard reports from the Executive Yuan's Mainland Affairs Council and from the National Security Bureau. We also carried out enthusiastic discussions at the same time. Your high degree of concern for the issue of state unification and the views you have expressed are very important, and I will forward your views to the relevant units for further study. I thank you very much. On 20 May 1990, in the inauguration address at the swearing-in ceremony of the eighth president of the Republic of China [ROC], I, Li Teng-hui, pointed out very specifically that "as the people of the world at this moment are praying for peace and seeking reconciliation, all Chinese people should also join hands to seek the realization of the common goal of the state's unification through peaceful and democratic means." In order to "pool the countrymen's wisdom, to give play to our special characteristics, and to master the trend of the popular will and provide main guidance to cross-strait relations by adopting a positive and substantive approach so as to attain the goal of the state's unification as early as possible," the NUC was established on 7 October. The NUC adopted the program for state unification on 23 February 1991, which concretely showed the conviction and progress of the Republic of China's search for freedom, democracy, common wealth, and unification. On 30 April 1991 I announced the end of the Period of Mobilization for the Suppression of the Communist Rebellion, which showed in practice our sincerity in exploring avenues for peace and unification.

Four principles were listed in the program for state unification. First, both the Mainland and Taiwan are China's territory. Promoting the unification of the country should be the common responsibility of all Chinese. Second, China's unification should be based on working for the welfare of all Chinese, and should not be an issue between political parties and factions. Third, developing the Chinese culture, maintaining human dignity, safeguarding basic human rights, and practicing democracy and the rule of law should be the purpose of China's unification. I believe the third principle cannot be denied by any Chinese, including political parties on both sides of the strait.

However, in light of development gaps resulting from the different systems and conditions on the two sides of the strait in the past four decades; our responsibilities to the 21 million compatriots in Taiwan, Penghu, and Chinmen and Matsu; and the assurance that the valuable

experience achieved by the Chinese people in Taiwan will be beneficially shared by the entire Chinese nation; the National Reunification Guidelines have also incorporated the following fourth principle: In determining the timing and format of China's reunification, the rights and interests of the people in Taiwan should first be respected, and their safety and welfare be safeguarded; and reunification should be realized in stages under the principles of rationality, reconciliation, reciprocity, and mutual benefit. Cross-strait people-to-people contacts have increased in recent years, with exchanges in various fields being developed and expanded continuously. People on both sides have broken their long-term isolation to gradually enhance mutual understanding, while the Koo [Chen-fu] -Wang [Dao Han] talks and cross-strait working level consultations have marked the entrance of cross-strait relations into the era of consultation. The development of cross-strait relations, which has opened a new page in reintegrating the Chinese nation, is a treasured historic process. However, the mainland authorities' failure to squarely face the 84-year existence of the ROC Government; their insistence on sovereign and ruling rights over Taiwan, Penghu, and Chinmen and Matsu; and their denial and squelching of our deserved development and status in international fields have dampened the pace of peaceful reunification. Undeniably, putting an immediate end to the animosity and misunderstanding which have accumulated over four decades of separation and confrontation will naturally be difficult. In facing a new situation, both sides must take a new, pragmatic approach to promote real harmony so as to create a climate and situation favorable to China's reunification.

In view of the situation at the present stage, and in order to establish normal relations between the two shores, I put forward the following proposals:

1. Seek China's Unification on the Reality of Separate Rules Across the Strait

Since 1949, Taiwan and the mainland have been governed by two political entities which were not subordinated to one another, and this created the situation of the two shores of the strait being split and separately governed. This is why we now have the national unification issue. Therefore, to solve the unification problem, we must be pragmatic and respect history, and should seek a feasible way for national unification based on the fact that the two shores are separately governed. Only by objectively treating this reality can the two shores gain more common understanding on the meaning of "one China" as soon as possible.

2. Step Up Cross-Strait Exchange on the Basis of the Chinese Culture

The broad and profound Chinese culture is the common pride and spiritual base of all Chinese people. We have always made it our job to maintain and develop our traditional culture and also propose that the culture be used as the basis for cross-strait exchange in order to

elevate the national sentiment of common existence and common prosperity and to foster and treasure the brotherly sentiment. In the vast cultural sphere, the two shores should increase the breadth and depth of exchanges, and further increase exchange and cooperation in the information, academic, science and technology, sports, and other fields.

3. Increase Cross-Strait Economic and Trade Exchanges and Develop Mutually Beneficiary and Supplementary Relations

Faced with the global trend of going all out to develop the economy, Chinese should supplement and benefit each other and share experiences with each other. Taiwan should make Mainland China its hinterland in developing its economy, whereas Mainland China should draw lessons from Taiwan in developing its economy. We are willing to provide technology and experiences to assist Mainland China in improving its agriculture, so as to bring benefit to the broad masses of peasants. In the meantime, we will continue to help Mainland China promote economic prosperity on the basis of existing investment and trade. As the issues concerning cross-strait business and shipping exchanges are quite complicated, departments concerned must approach such issues in many aspects, make early planning, and when the time and conditions are ripe, personnel on the two sides may communicate with each other in specified places, so as to thoroughly understand the problems and exchange views.

4. Two Sides Join International Organizations on Equal Footing and Leaders of the Two Sides Will Naturally Meet Each Other on Such Occasions

I have repeated many times that natural meetings of leaders from the two sides on international occasions will ease political confrontation between the two sides and foster an atmosphere of harmonious contacts and meetings. Now, the two sides have joined several important international economic and sports organizations. If leaders from both sides meet each other naturally while attending meetings of such organizations, it will surely help eliminate hostility between the two sides, build up mutual trust, and lay a foundation for future consultation and cooperation. We believe that the more international organizations the two sides join on an equal footing, the more it will be conducive to developing bilateral relations and to promoting the process of peaceful reunification. This will also show the world that the Chinese people on the two sides, despite political differences, can still join hands to make contributions to the international community and create a new age for the Chinese nation to stand proud in the world.

5. Two Sides Should Persist in Using Peaceful Means To Resolve Disputes

The descendants of Emperors Yan and Huang should first show sincerity to each other and no longer engage in fratricide. We do not want the Chinese people to go

down the path of civil war once again and hope that hostility will be turned into friendship. In 1991 the ROC announced the end of the Period of Mobilization for the Suppression of the Communist Rebellion, acknowledged that the two sides were separated, and announced that it would no longer use force against the mainland. It is regrettable that over the last four years, the Chinese Communist authorities have not announced its renunciation of the use of force against Taiwan, Penghu, and Kinmen and Matsu, causing the continuation of the situation of the hostile confrontation up to this day. We hold that the mainland authorities should show their goodwill by renouncing the use of force against Taiwan, Penghu, and Kinmen and Matsu, and that they should refrain from any military actions that could cause suspicions, thereby laying the foundation for ending the situation of hostile confrontation through formal cross-strait talks. I must emphasize that using the so-called "Taiwan independence forces" or "foreign interference" as a pretext for refusing to make the commitment to not use force against Taiwan is disregarding and distorting the founding spirit and policy of the ROC, which will only deepen suspicions between the two sides and hinder mutual trust. The degree of maturity for ending the situation of hostile confrontation through formal cross-strait talks requires sincere fostering by both sides. At present, we will have our relevant government departments carry out research and formulate plans concerning the termination of hostile confrontation. When the CPC officially announces its renunciation of the use of force against Taiwan, Penghu, and Kinmen and Matsu, a preliminary consultation on how to end the state of hostile confrontation between the two sides will be held at a most appropriate time and opportunity.

6. The Two Sides Should Jointly Maintain the Prosperity of and Promote Democracy in Hong Kong and Macao

Hong Kong and Macao have always been Chinese territory. The people of Hong Kong and Macao are our brothers. We are deeply concerned about the situation in Hong Kong after 1997 and in Macao after 1999. The ROC Government reiterates once again that it will continue to maintain normal ties with Hong Kong and Macao, further participate in their affairs, and actively render service to compatriots in Hong Kong and Macao. Maintaining economic prosperity and a free and democratic life-style is the desire of the people of Hong Kong and Macao, which is the concern not only of the Chinese nationals residing abroad but also of other countries in the world, and which is also the unavoidable responsibility of people on both sides of the strait. We hope that the mainland authorities will actively respond to the demands of the people in Hong Kong and Macao and pool the strength on both sides of the strait to jointly develop plans with the people of Hong Kong and Macao for their prosperity and stability.

In the past 100 years China has experienced all kinds of suffering, and was not able to establish a free, prosperous, and modern society. Although the War of Resistance Against Japan was won 50 years ago, and hope appeared on the horizon after the end of the foreign invasion, the two sides of the Taiwan strait were separated again. Over the past 40 years the Republic of China [ROC] has spared no effort to improve people's livelihood in accordance with the will of Dr. Sun Yat-sen. In economic aspects, we have created a world-recognized "Taiwan Experience." In recent years, we have been actively engaged in constitutional reform in a bid to carry out the democratic ideal that power rests with the people. All these efforts aim to lay a foundation for the future of the Chinese nation. Despite the long-term separation of the two sides of the Taiwan strait, we have always cherished the brotherly affection of compatriots on the Mainland and have never forgotten the welfare of the people in all of China. In the future, we will continue to give full play to brotherly love and mutual assistance and help the Mainland region seek further development under stable circumstances. We hope that the Mainland will become more prosperous and more democratic so that our 1.2 billion compatriots can enjoy a life of freedom and prosperity. I firmly believe that, as the international situation relaxes today, the two sides will individually increase the construction of people's rights and people's livelihood and carry out peaceful competition. This will be the most direct and effective contribution to the Chinese nation as a whole. This will not only be helpful in seeking a true resolution for the reunification of China, but will also enable the descendants of Emperors Yan and Huang to stand firm with their heads held high on the stage of the world. This is the true meaning of nationalism. This is also an unavoidable responsibility for the political leaders of the two sides in the face of the 21st century.

Official Comments on Speech

OW1004031795 Taipei CNA in English 0203 GMT
10 Apr 95

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, April 8 (CNA)—Taiwan's Straits Exchange Foundation (SEF) and Beijing's Association for Relations Across the Taiwan Strait (ARATS) could hold preparatory meetings for negotiations to end animosity between the two sides of the Taiwan Strait, presidential secretary-general Wu Poh-hsiung said Saturday [9 April].

Wu was elaborating on President Li Teng-hui's speech at the National Unification Council Saturday in which Li said that the government is now instructing related agencies to map out strategies to help end decades of cross-strait animosity.

Li also said that when Mainland China formally renounces the use of force against Taiwan, Penghu, Kinmen and Matsu, the government will begin to discuss how to end the animosity.

Although SEF and ARATS have so far only engaged in non-political working-level talks. Wu said that the possibility of a meeting between SEF Chairman C.F. Ku and ARATS Chairman Wang Daohang would not be ruled out, if Beijing renounces the use of force against Taiwan.

Ku and Wang met in April 1993, laying a framework for regular dialogue and contacts between the two semi-official intermediary bodies.

Wu also said that negotiations on ending the animosity could only be held between two equal political entities—the Republic of China [ROC] on Taiwan and Mainland China.

Wu added that, if necessary, the ROC Government is prepared to provide expertise and management skill in agriculture for reference in Mainland China's rural development.

Wu said that Taiwan is willing to share its expertise and experience in agriculture to help improve mainland Chinese agricultural development.

President Li's speech was a goodwill response, Wu said, adding that bilateral exchanges depend on reciprocity.

Wu also said that it is natural and good for leaders on both sides of the Taiwan Strait to meet at international occasions. He suggested that there is a good opportunity for the two leaders to meet in an Asia-Pacific Economic Cooperation (APEC) leaders meeting scheduled in Japan in November.

He said that both Taipei and Beijing have participated in some major economic and sports organizations. If leaders from both sides could take part in such meetings, he said, it would help ease cross-strait animosity and help foster mutual trust.

Wu added that the government would not rule out arranging such a meeting between the two leaders at a third location.

Poll on Cross-Strait Ties Indicates 'Large Gap'

OW1004020095 Taipei CNA in English 0134 GMT
10 Apr 95

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, April 8 (CNA)—Nearly 70 percent of Taiwan residents believe the major hurdle obstructing cross-Taiwan strait rapprochement is the large gap between Taiwan's political and economic systems and those of Mainland China, according to a recent poll.

The poll, commissioned by the Mainland Affairs Council (MAC), Taiwan's top mainland policy body, also found that there is widespread support for Taiwan's current mainland policy.

Some 69.3 percent of respondents said the vast political and economic differences were the major obstacle to cross-strait rapprochement. However, 24 percent disagreed.

Beijing's blockade of Taiwan in the international community and a gap in living standards on both sides of the strait were the second-most cited hindrance.

Only a small percentage of respondents said that cross-strait rapprochement was hindered by the Taiwan independence movement or Beijing's threat of force against Taiwan.

The poll found that most people support sending Taiwan government officials to take part in talks between Taiwan's semi-official Straits Exchange Foundation (SEF) and its mainland counterpart, the Association for Relations Across the Taiwan Strait (ARATS).

SEF and ARATS are intermediary bodies set up by their respective government to handle civilian exchanges.

A total of 84 percent of poll respondents said they support the government's push for expanded civilian exchanges, while 77 percent support increased trade exchanges.

The survey showed that 84.5 percent of those polled did not approve of Beijing's "one nation, two systems" campaign. Some 66.8 percent did not agree to Beijing's allegation that recognizing the reality that Taiwan and the mainland re separated and ruled by two governments is tantamount to supporting for "two Chinas" or "one China and one Taiwan."

MAC Chairman Hsiao Wan-chang disclosed the poll findings during a report on cross-strait relations to the National Unification Council Saturday [8 April] afternoon.

MAC commissioned the Chinese Credit Information Service to conduct the poll between March 23-26. Results were based on 1,067 responses by subjects aged between 20 and 64.

Official Refers to 'People's Republic of China'

HK0804081295 Hong Kong HONGKONG STANDARD in English 8 Apr 95 p 7

[By Pamela Pun]

[FBIS Transcribed Text] A senior Taiwanese official for the first time has publicly referred to its arch-rival, the Communist Party government on the mainland, by the official name of People's Republic of China. Analysts said the unprecedented act—by Office of the President secretary-general Wu Kuo-Hsiung as he addressed an official conference yesterday—was an apparent attempt by the Nationalist government to create "two Chinas".

Chen Kongli, head of the Institute for Taiwan Study, which was affiliated to Xiamen University, expressed concern over the use of the name for China. When asked

whether calling China by its official name indicated a change in Taiwanese policy or an attempt to create "two Chinas", Mr Chen said it had to be determined if the use of the official name was accidental. Mr Chen said it was too early to jump to a conclusion after one individual case.

The [Hong Kong] Sing Tao newspaper reported yesterday that Mr Wu delivered a speech on behalf of Taiwanese President Li Teng-hui to 22 delegates to a meeting convened by Taipei's National Unification Council. The speech mentioned "the People's Republic of China which is under the totalitarian rule of the communists". Mr Wu said converting the four-decade-long hostile relationship between the two sides of the Taiwan Straits into a harmonious one was arduous work.

Observers said that the change in Taipei's practice of referring to China could be regarded as a trial balloon to test Beijing's attitude towards the island's independent stance. The Nationalist-ruled Taiwan since 1949 has consistently referred to mainland authorities as Chinese Communists.

Taiwan Hosts APEC Workshop on Trade Financing

OW1004103595 Taipei CNA in English 0911 GMT 10 Apr 95

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, April 10 (CNA)—An APEC workshop on trade financing opened in Taipei Monday to promote regional cooperation in financial planning and management.

More than 70 delegates from the 18 Asia-Pacific Economic Cooperation (APEC) forum members, including Taiwan, are taking part in the three-day seminar.

The opening ceremony was presided over by Lin Yi-fu, director-general of the Board of Foreign Trade (BOFT). Economic Affairs Minister P.K. Chiang and Ronald J.L. Berlet, director of the Canadian trade office in Taipei, delivered speeches on recent trade and economic developments in the Asia-Pacific at the opening session.

Lin said the workshop provides a forum for APEC members to exchange experience and views on export-import financing for trade promotion purposes.

The agenda will include discussions on creating a favorable global financial climate for trade promotion, the contributions of banking institutions to export-import trade, hedges against export risks, small and medium enterprises' (SME) financial planning and the role of a credit guarantee system in SME trade development.

Financial experts from Taiwan, the United States, Japan and Singapore will lecture on various trade financing measures and on related financial planning and management.

"We hope the workshop will help increase exchanges of information and cooperation in trade financing and financial planning among APEC members to boost trade inside the region," Lin noted.

APEC groups Australia, Brunei, Canada, Chile, Hong Kong, Indonesia, Japan, Malaysia, Mainland China, Mexico, New Zealand, Papua New Guinea, Singapore, South Korea, Taiwan, the Philippines, Thailand and the United States.

The three-member mainland delegation is headed by Wang Guosheng, a manager with Beijing-based Bank of China.

Government Declares Aum Head Persona Non Grata

*OW0804102895 Taipei CNA in English 0953 GMT
8 Apr 95*

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, April 8 (CNA)—Shoko Asahara, leader of the Japanese Aum Shinrikyo (Supreme Truth) sect was declared a persona non grata by the Taiwan Government in March 1993 because of his improper deeds and language while visiting Taiwan, a senior police officer said Saturday.

According to entry and exit records, Asahara entered Taiwan in January 1993 and stayed for 10 days, Cheng Cheng-ming, director of the Foreign Affairs Department at the National Police Administration (NPA), said.

The sect leader was declared a persona non grata by the government in March the same year for violating visa regulations and using improper language during his visit in Taipei, Cheng said.

Asahara, now in his 40s, allegedly masterminded the fatal sarin nerve gas attack erupted on the Tokyo subway on March 20. The attack killed 11 and left hundreds more injured.

Although the secretive religious cult publicly denied involvement in the attack, Japanese police are searching for Asahara, who remains in hiding.

Asahara is believed to have escaped to Taiwan, Hong Kong or the Philippines.

Cheng said there were no records which suggest that Asahara has entered Taiwan recently, adding it would be impossible for him to enter through legal channels because of his persona non grata status.

Cheng, however, did not rule out the possibility that the cult leader sneaked into Taiwan using a fake passport or through other underground channels.

Trade Delegation Begins Middle East Tour

*OW1004103495 Taipei CNA in English 0838 GMT
10 Apr 95*

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, April 10 (CNA)—A Republic of China [ROC] economic and trade delegation, led by Vice Economic Affairs Minister S.J. Li, arrived in Saudi Arabia Sunday [9 April] for a week-long visit.

Saudi Arabia is the first leg of the mission's five-nation 21-day tour of the Middle East, which will also visit Oman, the United Arab Emirates, Jordan and Turkey.

During their stay in Saudi Arabia, Li and his party will discuss the promotion of bilateral economic and trade relations with Saudi officials. Li will also meet with his Saudi counterpart for talks on matters pertaining to the annual ROC-Saudi Arabia joint economic convention to be held in Saudi Arabia later this year.

Members of the ROC mission include officials from the Ministry of Foreign Affairs, the Board of Foreign Trade, the International Cooperation Department and the Investment Commission under the Ministry of Economic Affairs, the Kuomintang Business Management Committee, and the state-run Chinese Petroleum Corp., Taiwan Fertilizer Corp. and Taiwan Power Co.

Li and his party are expected to discuss mutual cooperation in petroleum trade and refining with officials in Oman, as well as mineral exploration in Jordan and trade in textiles in Turkey.

Government Helps Guinea-Bissau Boost Rice Output

*OW0804093795 Taipei CNA in English 0921 GMT
8 Apr 95*

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, April 8 (CNA)—With the transfer of the Republic of China [ROC]'s agricultural expertise, Guinea-Bissau has more than doubled its rice output over the past four years, a ranking agricultural official said Saturday.

"In some areas, the rice output has even surged three-fold," Sun Ming-hsien, chairman of the Council of Agriculture, said prior to a meeting of the ROC-Guinea-Bissau mixed commission.

The commission is about to review the ties between the two countries in finance, agriculture, foreign affairs and economy.

The ROC and the African state, which forged official diplomatic links in 1990, signed agricultural cooperative and handicraft agreements in 1991 and 1992.

Guinea-Bissau's President Joao Bernardo Vieira and his entourage paid a visit to sun in the morning. The African head of state flew into Taipei Friday for a week-long visit, his second in four years.

Hong Kong

Editorial Advises U.S. Not To 'Meddle'

HK0904080495 Hong Kong TA KUNG PAO in Chinese
8 Apr 95 p A2

[Editorial: "The United States Would Be Well-Advised To Stay Out of Hong Kong's Affairs"]

[FBIS Translated Text] The Chinese Government has expressed strong dissatisfaction over the U.S.-Hong Kong Policy Act Report recently submitted to the Congress by the U.S. Department of State. A Foreign Ministry spokesman sternly pointed out that, in this report, the U.S. Department of State issued irresponsible remarks on the Hong Kong issue in an attempt to meddle in Hong Kong's affairs and interfere in China's internal affairs.

As everyone is aware, the issue of Hong Kong in the period before 1 July 1997 is an issue left over by history and can only be discussed by the Chinese and British Governments; no third country is allowed to meddle. After China resumes the exercise of sovereignty over Hong Kong on 1 July 1997, Hong Kong's affairs will be completely China's internal affairs, and no country will have the right to interfere. The U.S. attempt to meddle in Hong Kong's affairs either before or after 1997 is a breach of international practice.

Two or three years ago, the U.S. President signed the so-called U.S.-Hong Kong Policy Act passed by the Congress, disregarding China's opposition. This act authorizes the President to supervise the implementation of the Sino-British Joint Declaration, to judge whether Hong Kong enjoys full autonomy after 1997 and to urge the government to report to the Congress on Hong Kong's democratic development and human rights status, attempting to put China's Hong Kong under the restrictions of U.S. law. Thus it is not difficult to see through to the essence of the U.S.-Hong Kong Policy Act Report submitted to the Congress by the State Department several days ago.

The United States proposed the so-called U.S.-Hong Kong Policy Act under the pretext of protecting U.S. economic interests in Hong Kong, saying that in Hong Kong there are tens of thousands of Americans, that there are many U.S. firms, and that there are billions of dollars worth of U.S. assets and exported goods. U.S. economic interests in Hong Kong alone make it utterly necessary to deepen and expand U.S.-Hong Kong relations.

This is only a reason for developing U.S.-Hong Kong economic and trade relations and must in no way be used as a pretext to meddle in Hong Kong's affairs or interfere in China's internal affairs. For example, no other countries can make carping remarks about the United States, because these countries have so many people, firms, and assets in there.

As a matter of fact, after 1997, U.S. legitimate rights and interests in Hong Kong, U.S. capital in Hong Kong, and U.S. businessmen's economic and trade activities in

Hong Kong will be all protected by the Basic Law of the Hong Kong Special Administrative Region. Recently Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, traveled to several major U.S. cities to publicize the Basic Law and explain Hong Kong's future. He pointed out that Hong Kong's economy is completely a free and open economy which provides ideal conditions for international business activities, that the Basic Law has provided a legal guarantee for Hong Kong's position as a "center" in several fields, and that all foreign capital, like local capital, will openly and equally compete against each other without government intervention. Therefore, Americans in Hong Kong will have much room for development as long as they engage in economic and trade activities within the framework of the Basic Law.

Evidently, a drinker's heart is not in his glass, nor is the United States' heart in the economy. But the Americans must understand that post-1997 Hong Kong will still be an international city, instead of an "international asset" that can be occupied by any country, as the British side has claimed. Nor will it be an international "political city" where all foreign political forces can enter into rivalry, as the British side has claimed. Those who wish to conduct activities outside or above the framework of the Basic Law for political purposes are doomed to failure.

Hong Kong's value lies in its economy. If its economy can thrive in a sustained manner and its society can remain stable for a long time, this will be beneficial not only to Hong Kong and China, but to all countries and regions having economic and trade relations with Hong Kong. Wanton interference in Hong Kong's affairs with no regard for international principles will only cause confusion and ruin Hong Kong's prosperity and stability. As its biggest trade partner, the United States will also suffer a great deal.

China and the United States are big, influential countries. Good relations between the two countries are beneficial for the peoples of the two countries as well as people around the world. The United States would be well-advised not to do anything on the question of Hong Kong which hurts the Chinese people's feelings or affects Chinese-U.S. relations.

When meeting the former U.S. Secretary of State, Dr. Kissinger, months ago, Chinese President Jiang Zemin pointed out: In the past year, China and the United States have made major progress in their relations due to their common efforts. But we must understand that there have been ups and downs and constant troubles in Chinese-U.S. relations over the last few years.

Recently some Americans have tried to make trouble on the human rights issue, the Taiwan issue, and the Hong Kong issue. In its "human rights report," the U.S. Department of State blatantly, unreasonably, and groundlessly accused China on its human rights status. Rallying the forces of its European allies, the United States proposed a draft resolution on the so-called

"China's human rights status" at a meeting of the UN Human Rights Commission. Some people in the U.S. Congress noisily advocated upgrading U.S.-Taiwan relations, strengthening political relations with Taiwan, and allowing Li Teng-hui to visit Taiwan. Some people even openly supported Taiwan's admission to the United Nations. All this involves China's sovereignty and reunification and represents naked interference in China's internal affairs.

We want to remind the U.S. authorities of what President Jiang Zemin told Dr. Kissinger: On major questions of principle like China's sovereignty, territorial integrity, and the reunification of the motherland, the stand of the Chinese Government and people is firm and unshakable and will not waver in the least.

British JLG Leader Criticizes PRC Statements

HK0804065895 Hong Kong SOUTH CHINA MORNING POST in English 8 Apr 95 p 1

[By Linda Choy and Chris Yeung]

[FBIS Transcribed Text] Britain and China yesterday ended a round of Joint Liaison Group (JLG) talks with more bickering on transitional issues, prompting officials to cast doubts on China's commitment to its "one country, two systems" policy.

Disappointed at the lack of progress on crucial issues such as the Court of Final Appeal, British JLG leader Hugh Davies said he was having constantly to guard against Beijing interference in internal matters. But he admitted the British recognised the Chinese felt they had a legitimate interest in raising transitional issues.

A senior government official said last night the Chinese demand for a greater say in matters such as the 1996/97 budget had raised fears of whether China was "increasingly working towards a 'one country, one system' system".

A joint communique issued at the end of the three-day meeting merely listed 18 items being discussed. Apart from the stalemate over the Container Terminal 9 project, China was concerned over the Government's massive reclamation plans and moves to amend laws that might not be in line with the Basic Law. Only one agreement on investment protection between Hong Kong and New Zealand was endorsed.

Another round of expert talks on the appeal court, twice postponed because of Chinese opposition, according to the British, has been scheduled for April 24. The issue is set to be discussed when British Foreign Secretary Douglas Hurd meets Chinese Vice-Premier Qian Qichen in New York on April 18.

Mr Davies said he expected an instruction for speedier work following the Hurd-Qian meeting. He said jokingly: "I am rather considering resigning at the end of 1996 so that someone else can work away during the last six months, because I think there could be a very great deal

of work during 1997." The government official said the talks "might be the most dismal JLG session".

Equally disappointed, Chinese team leader Zhao Jihua said Britain was to be blamed for any delay in implementing the 1991 deal on the appeal court. He said China would not make its decision subject to the timetable of other parties. The two sides were yet to resolve issues such as the convergence of the bill with the Basic Law, said Mr Zhao.

Mr Davies said the Chinese side had made generalised statements without specifying their real concerns. "These generalised statements don't really carry us anywhere forward. We've had 11 months now to discuss Chinese concerns. If those concerns are real concerns then we could have dealt with them long ago," he said. "We'll still deal with them in our next session, but I don't really know what they are. If they say anything more specific, we will certainly deal with it," he added.

Chinese Say UK Not Discussing Issues

HK0804080895 Hong Kong HONGKONG STANDARD in English 8 Apr 95 p 4

[By M.Y. Sung and Laura Chan]

[FBIS Transcribed Text] The Chinese have accused Britain of violating the Joint Declaration by refusing to put the proposal to change Hong Kong laws on the Joint Liaison Group (JLG) agenda.

Aside from repeating the usual charges, China and Britain yesterday achieved a milestone of sorts by discussing the air service arrangement between Hong Kong and Taiwan, an island which the mainland regards as a renegade province whose official status here will be questionable from 1 July 1997. Britain was yesterday optimistic that the nettlesome issue could be settled soon. Hong Kong is the common point of contact between China and Taiwan.

Much of the estimated annual China-Taiwan US\$6 billion (HK\$46.8 billion) trade is also conducted through Hong Kong, enabling the Kuomintang regime to deal with the mainland without formally breaching its policy of no direct Beijing contacts.

The chief Chinese JLG representative, Zhao Jihua, said the British had rebuffed Chinese offer to have the group tackle more issues. He expressed Chinese disquiet about an array of major changes of laws in Hong Kong.

Mr Zhao said the British reluctance to discuss these legal amendments and enactments contravened the Joint Declaration which stipulates that laws currently enforced in the colony would remain largely unchanged through the transitional period and into the era of the Special Administrative Region (SAR). China felt the legal issue was serious and should be discussed at the JLG but the British had balked at the suggestion, Mr Zhao said.

JLG British team leader Hugh Davies had heard Chinese concerns about the change of laws but had not received specific details. He said that during the early part of the three-day meeting, his side raised the subject of recent Chinese coast guard incursions in local waters. He said the Joint Declaration provided for "two different jurisdictions" with defined boundaries and this should be respected.

A Chinese source said his side was upset that the British should raise the subject at such a senior level. This "creation of obstacles" he stressed, was not conducive to Sino-British relations.

Differences in the transfer of the civil servants information and files still remained unresolved. Mr Zhao said the Chinese had put this question on the JLG plenary discussion table but no progress was achieved. Mr Davies said the civil servants would not be happy to see their sensitive informations passed to Beijing. He repeated that the designated Chief Executive was the right person to get the informations to nominate the senior civil servants.

The Chinese side also raised the reclamation projects issue. "But it is regretful Britain has refused to hold consultation with the Chinese side over the question although they agree to provide a briefing to us," Mr Zhao said. He also expressed disappointment about the absence of consensus on such issues as utility franchises and contracts, including those related to the construction of Container Terminal Nine [CT9].

Mr Zhao said the British held to their position that the contracts were not up for new tenders despite Chinese insistence that politics must not be a factor in such deals. China had accused the governor of granting a franchise in a closed bid on CT9 to a consortium led by Jardine and Matheson because that conglomerate had backed his political reforms.

Mr Zhao said they informed the British on the preparatory work on the printing and production of SAR passports. China would issue these travel documents from 1 July 1997 as scheduled. Mr Zhao said more talks on this issue were scheduled but he gave no further details.

UK Rejects PRC Demand for Input on Amendments

HK0804070095 Hong Kong SOUTH CHINA
MORNING POST in English 8 Apr 95 p 2

[By Linda Choy and Louis Won]

[FBIS Transcribed Text] China's demand for a say on every major legal amendment and on the reclamation programme was rejected by Britain at the Joint Liaison Group (JLG) session. British team leader Hugh Davies said Britain had the responsibility to make necessary legislative changes to ensure governance of Hong Kong before 1997. His Chinese counterpart, Zhao Jihua, said China had demanded the issues be put on the JLG agenda.

Mainland officials and legal experts have claimed that some legal amendments such as the Societies Ordinance

might be in breach of the Basic Law. But Mr Davies said no specific concerns had been raised at the JLG. "We have been talking about Chinese concern and what they called 'major changes' to the laws...The fact is we are not persuaded that the Chinese side have any real target as far as this issue is concerned," he said.

On the reclamation in the harbour, Mr Zhao has demanded detailed briefing and consultation at the JLG because some projects will only be implemented after 1997. Chinese officials have said massive reclamation will cause environmental and marine safety problems.

Mr Davies said China had had plenty of information about projects which were under way, and Britain was ready to give more. Asked whether he believed Beijing was trying to interfere in the territory's autonomy, Mr Davies said the British side was constantly on its guard against such interference. He said Britain had to recognise China's feeling that it had a legitimate interest in discussing issues which would go beyond 1997.

The two sides were also at odds about the progress on issuing passports for the Special Administrative Region (SAR) in 1997. Mr Zhao said he was confident the SAR government could issue its own passports immediately after the transfer of sovereignty in 1997. However, Mr Davies said there had been no real progress on the matter.

Chief Secretary's Remarks on Court 'Inaccurate'

HK0804080095 Hong Kong EASTERN EXPRESS in
English 8-9 Apr 95 p 1

[By Michelle Murphy and Alex Lo]

[FBIS Transcribed Text] A senior Chinese official has hotly disputed remarks by Anson Chan, the Chief Secretary, that Beijing is indecisive on Hong Kong's court of final appeal because of leadership problems. Zhao Jihua, the Chinese leader of the Joint Liaison Group, said the remark was inaccurate.

Chan told selected journalists at an off-the-record briefing on Thursday [6 April] that the possible reason for China's failure to decide on the court of final appeal was "perhaps there's no one up there calling the shots". The comment was thought to refer to possible problems in the leadership succession after Deng Xiaoping dies.

Yesterday, Chan refused point-blank to answer questions about her remarks. After completing a tour of the new Madam Ho Sin Hang home for the elderly in Sandy Bay, Chan ignored waiting reporters and headed straight to her car. Asked if she thought her comments had jeopardised the forthcoming New York meeting between the Chinese Foreign Minister, Qian Qichen, and the British Foreign Secretary, Douglas Hurd, later this month, Chan mumbled "I'm sorry." The British leader of the JLG, Hugh Davies, refused to comment on Chan's remarks.

During Thursday's briefing, Chan also commented on the proposed visit to Hong Kong next month by Lu Ping.

the Director of the Hong Kong and Macao Affairs Office. She said it would be "inappropriate" if Lu invited the Government's policy secretaries to meet him without also inviting the Governor, Chris Patten, and herself. At the briefing, Chan also said the Government was worried about a possible conflict of interest for the four Hong Kong advisers named by China to join its specialist team on the budget.

The four were Preliminary Working Committee members Chung Sze-yuen, Nellie Fong, Shau You-bao and Philip Wong. Wong, who is also a legislator, yesterday declined to comment on Chan's remarks.

Government Demands Return of Abducted Seamen

HK1004061595 Hong Kong *EASTERN EXPRESS* in English 10 Apr 95 p 2

[By Sam Mok and staff reporters]

[FBIS Transcribed Text] The Government yesterday reissued its demand for the return of two men captured by mainland security forces inside Hong Kong waters. The Secretary for Security, Peter Lai, said efforts would continue through diplomatic channels in Hong Kong, London and Beijing.

The men are to be charged with smuggling, a Beijing-controlled newspaper, *TA KUNG PAO*, said yesterday. They could face death if found guilty. Chinese police in the special economic zone of Zhuhai said the two were caught smuggling in Chinese waters, not Hong Kong.

But Lai repeated that the men, their tug boat and a lighter, were within Hong Kong limits when taken. "The Hong Kong Government's position is very simple: these men and their vessels were taken away forcibly from Hong Kong waters," Lai said. "At the time the incident happened the Chinese federal authorities admitted that it should not have been done. Given that it is a mistake, then the obvious thing that should be done as a remedy is to return the people and the vessels to Hong Kong."

Three political parties yesterday called on China to return the suspected smugglers, who were escorted by Zhuhai Public Security Bureau officers from Hong Kong waters to Zhuhai on March 18. But the pro-Beijing Democratic Alliance for the Betterment of Hong Kong (DAB) said Zhuhai officers had acted according to Chinese law, and that the Governor, Chris Patten, was responsible for politicising the issue.

Speaking at the weekly City Forum, the Democratic Party legislator Cheung Man-kwong said if the arrests had occurred within Hong Kong waters the case should be dealt with by the territory's police and court. The Liberal Party legislator Selina Chow agreed, saying that China's explanation about the incident "cannot set Hong Kong people's mind at ease". She said the Legislative Council security panel would watch a video today to verify the

Hong Kong marine police report that the mainland officers made it obvious they were holding machineguns during the incident.

Daniel Wong, the spokesman on security affairs for the Association for Democracy and People's Livelihood, said: "Legally, the Zhuhai authorities had been all wrong." Wong said it did not matter where the arrests took place. Because the Chinese officers and the suspect smugglers were stopped in Hong Kong waters, by international law the case was within Hong Kong's jurisdiction. The incident undermined Hong Kong people's confidence in the "one country, two systems" principle and in their personal security, Wong said.

Gary Ching, the honorary secretary of the DAB, who visited Zhuhai to investigate the matter, said that according to Zhuhai officials the smugglers were arrested in Chinese waters. The boats had been passing through Hong Kong waters to avoid waves when marine police met them. Ching also said that it was not the first time Chinese forces had intruded into Hong Kong waters. But the present incident had been politicised by Patten, "the person who recently talked about sending the navy to help marine police to patrol".

Guangdong Court To Try Seamen

HK0904080695 Hong Kong *SOUTH CHINA SUNDAY MORNING POST* in English 9 Apr 95 p 1

[By staff reporters]

[FBIS Transcribed Text] Two Hong Kong men held by Chinese security forces since their boat was seized off Sai Kung last month face the death penalty after mainland officials said they would be tried for smuggling. Lai Lin, 34, and Kong Long-hoi, 31, will appear at a Zhuhai court on April 16...nearly a month after they were abducted by a speed boat under the command of the city's Public Security Bureau (PSB). Under China's judicial code, smuggling is punishable by death.

Last night, a government spokesman expressed "disappointment" at the decision to try the men, and repeated Hong Kong's determination to press for their return.

The deputy Director of Zhuhai's Public Security Bureau, Chang Xiayun, said the men had admitted they were paid \$10,000 to smuggle 47 right-hand-drive vehicles, worth more than \$1 million, from Hong Kong to Weidong in Guangdong Province by another man from the territory.

Their abduction, on March 18, has developed into a major diplomatic row between Britain, Hong Kong and China. A Marine Police boat investigating the presence of a Chinese patrol vessel off Sai Kung early that morning found it escorting two Hong Kong registered craft.

The PSB crew insisted they had boarded the boats the day before and had been pushed into Hong Kong waters by strong winds. The police said one of the mainland officers levelled a gun at them to warn them off.

Despite an apology from some sections of the Chinese security establishment, and extensive talks in London, Beijing and Zhuhai, China has refused to let the men go. Last night, Zhuhai PSB director, Guan Yujia, said: "We reserve the power to arrest the main offenders in this case and we reserve the right to charge and try them in China."

Lai's sister said the family had been told they would not be allowed to see him until after the trial. She added that, although they had reported the case to the Hong Kong police, the Government had not contacted them. The family still did not know if they would get legal representation at the trial.

A Security Branch spokesman said: "To the best of my knowledge we have not been informed officially about the two men being charged."

"We have talked about the case through different channels with Beijing and we are still awaiting an official reply to our request to have the two men returned to Hong Kong."

"But we are disappointed that the Chinese authorities in Zhuhai have refused to return the two Hong Kong crew men."

"The central issue is that Hong Kong residents were detained in Hong Kong waters. The Chinese side has acknowledged this and admitted that it was a mistake."

"The fact that they had already been seized in Chinese waters and that they were suspected smugglers are not relevant, though we remain, as ever, committed to close cooperation against smuggling."

PRC Vows 'No Change' Toward Foreign Journalists

HK1004050695 Hong Kong SOUTH CHINA
MORNING POST in English 10 Apr 95 p 6

[FBIS Transcribed Text] There will be no change in policy governing foreign journalists working in Hong Kong after 1997, according to mainland officials. Suggestions that China might make journalists whose work is published overseas apply for accreditation before being allowed to work in the territory were dismissed by China as rumour.

The need for accreditation, a system currently in use in China, has been a major concern among foreign correspondents in Hong Kong, who fear that when Hong Kong reverts to Chinese rule, similar requirements will be imposed on them, even if their work is not published in the territory. Foreign journalists reporting on the mainland face restricted movement as they need approval from the Ministry of Foreign Affairs if they want to work away from their base.

Hong Kong has no specific rules governing foreign journalists' operations. "At the moment, a journalist does not have to be accredited in Hong Kong, although it is in his interest to seek recognition from the Government Information Services (GIS) simply for the flow of

information," said Mark Pinkstone, the Government's chief information officer responsible for liaising with the foreign media.

Mr Pinkstone said the GIS only provided services and facilities for journalists. They did not have to tell the Government about their work and their movements were not monitored. All they needed were Hong Kong work permits.

Fears that such freedom might diminish has led journalists to speculate that they may have to be accredited when the territory reverts to China. But mainland officials said that there was no plan to change the policy in Hong Kong, referring to the promise of "one country, two systems".

They maintained that both the Sino-British Joint Declaration and the Basic Law had already guaranteed the freedom of the press. "The policy is exactly the same, there hasn't been any change at all and there won't be changes. The news media will enjoy the same degree of press freedom, if not more," said a Hong Kong-based mainland official. "Allegations that China is changing the system is just sheer rumour. It comes out of the blue," said the official. The official said every time Chinese officials were asked about this question they had made it absolutely clear that there would no change to the policy.

For many foreign journalists, Hong Kong is a much better place to work than anywhere in China. The main difficulty in working in China is getting accurate information, according to some correspondents. The inaccuracy arises either from incomplete statistical information or because officials are not forthcoming enough. "The practical problem is getting reliable information," said one correspondent.

As a result of the limited information available in China, some correspondents used to visit Hong Kong frequently to carry out informal research and to verify it in Beijing as one way of getting stories. But with the gradual increase in openness in China, some correspondents believe that it is no longer the case that they have to find story ideas in Hong Kong. "I find reporting here on the ground much more useful now," a correspondent said. Some Beijing-based correspondents said they visited Hong Kong regularly for they also cover stories about the territory from China.

Sino-British Air Traffic Control Group Meets

OW1004112695 Beijing XINHUA Domestic Service in
Chinese 0751 GMT 3 Apr 95

[FBIS Translated Text] Beijing, 3 Apr (XINHUA)—Chinese and British leaders of the air traffic control experts group under the Sino-British Coordination Committee for Large-Scale Capital Construction Projects Across Hong Kong and the mainland held their first meeting in Beijing the other day and reached an initial common understanding.

The two sides held that it is necessary to coordinate with each other with regard to Hong Kong's new airport, the related air space over the mainland, and questions of air traffic control. It was decided that after the second plenary session of the Coordination Committee for Large-Scale Capital Construction Projects, a plenary meeting of the air traffic control experts group will be held to exchange related information and to discuss future work and a timetable.

Sino-British Railway Experts Group Meets

OW1004121095 Beijing XINHUA Domestic Service in Chinese 0748 GMT 4 Apr 95

[By reporter Li Gang (2621 0474)]

[FBIS Translated Text] Beijing, 4 Apr (XINHUA)—Chinese and British leaders of the railway experts group of the Sino-British Coordination Committee for Large-Scale Capital Construction Projects Across Hong Kong and the Mainland held their first meeting in Beijing today and reached an initial common understanding.

In an interview with reporters following the meeting, Chai Puan, Chinese leader of the railway experts group, said: Both the Chinese and British sides maintained that the meeting had been held in a frank and sincere atmosphere [tan cheng di qi fen 0982 6134 4104 3049 3050], through which the two sides further enhanced their mutual understanding. He said: At the meeting, each side briefed the other on its own concept of railway development and the transport situation in the Shenzhen-Luohu Port area. Within the framework of the Capital Construction Coordination Committee, the two sides will continue to discuss the opening of the new Luomazhou-Huanggang passenger highway and related question put forward by the British side.

As of now, Chinese and British leaders of the four experts groups under the Capital Construction Coordination Committee, including the highway and bridge experts group, the air traffic control experts group, and the sea-lane experts group, have all held their first work meetings.

Local Judges Make 'Secret Trip' to PRC

HK0904080795 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 9 Apr 95 pp 1, 2

[By Andrew Laxton]

[FBIS Transcribed Text] A secret trip to Beijing made by local judges at the request of their mainland counterparts has whipped up a storm of protest in the judiciary. Expatriate judges said they were left in the dark over the visit last week and demanded Chief Justice Sir Ti Liang Yang look into the matter. The delegation of 18, including 13 judicial officers and five spouses, has remained silent after returning from the five-day visit on Wednesday [5 April].

One disgruntled expatriate judge said: "If Beijing is entering into private discussion and negotiations with local judges we must be informed."

"No notification of this trip was given to us. There are a lot of expat judges who want to stay after 1997 and we feel we should all be treated the same."

As a result, a confidential memo has been sent to the Chief Justice's office asking him to explain the nature of the "low-key" trip. "The Chief Justice must tell us the purpose of this visit. We also want to know whether any consideration was made to expatriate judges during the talks in Beijing."

When the Hong Kong Local Judicial Officers' Association returned to the territory last week its chairman, Mr Justice Benjamin Liu Chimiong, refused to disclose precise details of the discussions in Beijing. However, he did say several topics covered included the difference in legal systems in China and Hong Kong, how to control it in Hong Kong after the handover, and communication and operation problems between the two.

During the five-day visit which included five High Court judges, three deputy High Court judges and three magistrates—talks were held with the China Judges Association, the Association of Procurators, the All-China Lawyers Association and the China Lawyers Association.

Dr Nihal Jayawickrama, a law lecturer at the University of Hong Kong, called for organisations such as the Hong Kong Local Judicial Officers Association to be scrapped. "These associations are undesirable especially at this politically sensitive stage. They (judges) are supposed to uphold the law which prohibits discrimination. I can see why the expat judges would be upset."

"If you divide expats or locals then of course Chinese judges will make contact with local judges. The Chief Justice should take an interest in this and not allow this kind of organisation," Dr Jayawickrama said.

"It is important to maintain our own standard of law in Hong Kong after the handover. What Hong Kong judges can learn from China I do not know, they may even end up being influenced which would not be good."

"There is nothing to prevent people from going on holiday but this sounds far from being a social visit."

A spokesman for the judiciary said the trip was private and that all of the officers had taken appropriate leave. "This was not an official visit, it was carried out in a private capacity," the spokesman said. "We are not aware of any discontent expressed by expatriate judges regarding this visit."

One member of the association said the visit was carried out on an "exchange of information" basis. "The general topics discussed never went into specifics," the member

said. "The purpose of the trip was to start a dialogue with the China Judges Association regarding the legal service. They invited us.

"The only thing we achieved was to open up channels enabling us to exchange information. There are possibilities of further trips to China and we are hoping our mainland counter parts will be able to visit Hong Kong soon.

"I can understand that tensions may have arisen from this trip but it was more of a social visit than anything else. We took our own leave for this trip and saw no reason to tell anyone about it, that is why it was low-key."

Mr Justice Liu, a Court of Appeal judge, was unavailable for comment.

Radio Introduces 'More Politicized' Talk Show

HK0904081095 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 9 Apr 95 p 4

[Report by John Walden, former director of home affairs]

[FBIS Transcribed Text] Editor's note: Yesterday marked the debut of Lorna Workman's new Saturday morning talk show on Radio 3, replacing Open Line, which moves to today. John Walden tuned in. [end editor's note]

Saturday morning listeners to Radio 3 who, from time immemorial, have come to treasure the bedside manner of veteran broadcaster Ralph Pixton, were miffed when they first learned of a change in the programme format.

It was a perfectly predictable reaction to the prospect of a move away from the fondly familiar to the unknown. It was all the more shocking because Pixton, everyone's old friend and counsellor, had, over the years, earned himself a reputation for his delicate handling of his fans' gripes, grouses and requests.

The more politicised Saturday morning fare, which Lorna Workman now provides between 8.15 am and 10 am, had its trial run on March 4, when Secretary for Transport Haider Barma spent over an hour in the dock answering questions from callers and Workman on transport issues.

The new programme began in earnest yesterday with Secretary for Planning, Environment and Lands Tony Eason fielding questions on the property market.

Any fair-minded critic of those ruling over us, who listened to these two demonstrations of public accountability by top civil servants or to the helpful discussion by the Solicitor General Bob Alcock on the Consultative Paper on Legal Services on April 1 must have learned at least two things.

One is that these people know what they are talking about, they are competent, and their minds open to other people's

ideas. The other is that Lorna Workman is a highly professional interrogator with a clear grasp of the public's reservations about government policies and a formidable ringmaster in her handling of the performers on her show. There is a firmness in keeping talk to the subject, a good balance in the use of stick and carrot, and a sense of humour to defuse tension when things get too serious.

It is early days to pass judgment on this experiment in maximising Radio 3's potential for political education but it looks a promising start. Britain and China have decreed that after 1997, Hong Kong is to be ruled not by people of its own choosing, but by senior civil servants appointed by the Beijing Government. If the restructuring of Radio 3 can help to ensure that those who are vested with power to run the territory after 1997 do so in ways acceptable to the public, that is something to be welcomed.

Patten Reiterates Support for U.S. Dollar Peg

HK0804070695 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 8 Apr 95 p 3

[By Josephine Ma]

[FBIS Transcribed Text] Governor Chris Patten yesterday restated Government determination to maintain the peg between the Hong Kong and United States currencies, despite acknowledging its problems.

At an American Chamber of Commerce luncheon, Mr Patten said the pegged currency rate would be maintained because a stable transition ranked before other considerations, such as inflation. "I know, as well as anybody, some of the consequential problems. I know the consequences, for example, in the constraint of one's ability to use interest rates to check inflation," he said. "I know all that. But I think, frankly, that for a lot of reasons—not least the anxiety which inevitably goes with transition—we are absolutely right to stand four-square behind that link with the US dollar."

Mr Patten said his Chinese counterparts also gave full support to the peg. "The link between Hong Kong and the US dollar will remain until the 30th of June 1997," he said. "I don't rush to make assumptions after that because the China officials, senior Chinese banking officials have made it absolutely clear they too are committed on the importance of keeping the link between the Hong Kong dollar and the US dollar."

"So there is absolute agreement, as I understand it, between us all in keeping that link." The governor's note was another high-profile defence of the pegged system and followed strong support by acting Financial Secretary Donald Tsang Yam-kuen earlier this week in Beijing.

Ninth 5-Year Plan To Include Hong Kong, Macao

HK0804080695 Hong Kong HONGKONG STANDARD in English 8 Apr 95 p 1

[By China editor Cary Huang and Amy Liu]

[FBIS Transcribed Text] Hong Kong's contribution to the mainland economic boom will be acknowledged in China's final five-year plan for this century. The development blueprint for 1996-2000 will factor in both the territory and Macao, which the Portuguese will hand back in 1999.

A task force comprising economic planners and experts on Hong Kong and Macao affairs has been set up under the State Planning Commission to study the new inclusions in preparation for the drafting of China's Ninth Five-Year Plan, according to Chinese sources. "Since sovereignty over Hong Kong will return to China in 1997 how can we ignore the Hong Kong factors in our economic planning? We would be irresponsible to the Chinese people if we were to do so," Minister for Transport Huang Jiandong, told *The Hong Kong Standard* in Beijing recently.

The director of the State Council's Development Research Centre Sun Shanjing, said Hong Kong and Macao would be given pride of place in the plan. He said the centre, along with the State Planning Commission and the State Economic Trade Commission, were studying how to include policies to guarantee Hong Kong's prosperity and stability after 1997. "It means Hong Kong factors will have to be taken into consideration in the next five-year plan," Mr Sun said. Mr Sun also noted that Hong Kong was already the top investor in China.

The plan must be completed by early next year and tabled in the National People's Congress for endorsement at next year's annual session. Mr Huang said the economic integration of China and Hong Kong was a crucial factor for the mainland's economic development in the years ahead. Another vital factor was major cross-border infrastructure projects such as the Beijing and Kowloon railway.

Shanghai mayor Xu Kangdi stressed that Beijing would have to adopt a different approach in working out the plan. Mainland economists rule out the inclusion of Hong Kong in the new plan as simply a gesture. They say planners will have to seriously assess the extent to which capitalist Hong Kong and Macao will impact on China's national development in coming years. However, their projections for Hong Kong and Macao would contain forecasts more than mandatory directives. Beijing sources stressed the plan would not be imposed on the territory.

Economic planners and experts on Hong Kong and Macao affairs are now conducting research on how and what role the capitalist economies will play in the development of the overall Chinese economy, especially the southern China regions, in the last five years of the century. The studies would prove a basic reference for planners drafting the last, most important blueprint in the century, Chinese economic sources said. The three cabinet-level agencies are also preparing a report on how to maintain Hong Kong's prosperity and stability when China resumes sovereignty over Hong Kong in 1997, said Mr Sun, a top economic policy adviser to the State Council, China's cabinet.

UK Privy Council To Continue Accepting Cases

HK0904080995 Hong Kong *SOUTH CHINA SUNDAY MORNING POST* in English 9 Apr 95 p 2

[By John Ellison in London]

[FBIS Transcribed Text] Multi-million dollar lawsuits may lapse if the deadlock over the Court of Final Appeal continues. Privy Council Registrar David Owen has warned. Speaking for the first time about the controversy, Privy Council officials have pledged to continue accepting cases from Hong Kong for as long as they are asked to do so.

But they said litigants would run the risk of suits lapsing if they were not heard before June 30, 1997, as it was impossible to guarantee the time it took for a case to move through the Privy Council's cumbersome procedures. The Hong Kong Government wants the London-based judicial body to consider "fast-tracking" appeals from the territory, if they fail to get the controversial Court of Final Appeal Bill through the Legislative Council. The Privy Council accepts about a dozen appeals a year from Hong Kong, mostly on commercial matters involving large sums of money.

But Mr Owen said the Privy Council had little control over how long it took to hear them, since delays were largely due to problems in collecting evidence, or the unavailability of barristers. Most cases can be completed in five to seven months, but some run on for as long as a year. "In the present circumstances, all we can do is go on accepting cases on the basis that if they have not been adjudicated by June 30 1997, they will have to be left to lapse," one Privy Council official said. "The decision over whether or not to risk the uncertainties and go ahead with an appeal to the Privy Council would simply have to be left in the hands of the litigants."

Privy Council officials refused to comment on the political aspects of the Court of Final Appeal row, in which Britain and China again traded accusations during last week's meeting of the Joint Liaison Group (JLG). They say the phasing in of a new appeals procedure ultimately depends on establishing a legal body in Hong Kong before June 30, 1997. "By that date there will either have to be legislation established in Hong Kong, which allows us to hand the cases over to a competent authority there, or those cases still with us which have not been adjudicated will have to be left to lapse," Mr Owen said.

A Foreign Office spokesman said the Privy Council office was being kept fully briefed on the latest developments in Hong Kong. Diplomatic sources in Britain remain hopeful that a compromise can be reached at JLG expert talks on April 24. There are indications that the deadline for placing it before the Legislative Council—said to be late April—may be allowed to slip into May. "The difficulty is, we are not quite sure whether, in suggesting expert talks, the Chinese are eager to find a realistic solution or are simply spinning out the agony," an observer said.

Macao

Portuguese President Arrives 7 Apr

Praises Peaceful Relations

HK0904083995 Hong Kong SUNDAY HONGKONG
STANDARD in English 9 Apr 95 p2

[By Harald Brunning in Macao]

[FBIS Transcribed Text] Portuguese President Mario Soares said in Macao yesterday that his country was "proud of Macao", because of the enclave's four-century long status as a "place of good understanding, living together and dialogue among different ethnic groups". Mr Soares, who arrived in Macao on Friday [7 April], also said at a ceremony at the Praia Grande Government Palace yesterday morning that the "peaceful" Sino-Portuguese relations of more than 450 years had always been marked by "mutual respect, reciprocity of advantages and friendship".

Mr Soares said his country would continue to show "strict faithfulness towards the wording and spirit of the (Sino-Portuguese) Joint Declaration". Under the Declaration, Macao, which has been under Portuguese control since 1557, will be handed back to China on 20 December 1999. After the handover, the 23.5 square kilometre enclave of some 400,000 inhabitants will become a Special Administrative Region (SAR) of China.

Mr Soares starts his first state visit to China tomorrow. During the week-long trip, he is scheduled to meet President Jiang Zemin, Premier Li Peng, and other top officials.

Unlike Britain's troubled relations with China over Hong Kong, Lisbon and Beijing have described their ties as "excellent", based on "close cooperation and mutual trust". In stark contrast to Britain's political problems over Hong Kong affairs, the Portuguese have cooperated closely in solving the enclave's transition period problems in the runup to 1999.

Meets With XINHUA Official

OW0804132995 Beijing XINHUA in English 1157
GMT 8 Apr 95

[FBIS Transcribed Text] Macao, April 8 (XINHUA)—Visiting Portuguese President Mario Soares met here this afternoon with Guo Dongpo, Director of XINHUA NEWS AGENCY Macao Branch.

Guo told reporters after their meeting that both sides are greatly concerned about the transitional affairs in Macao and expressed the hope that the transition could be carried out smoothly.

Guo said he is convinced that Soares' forthcoming visit to China would be a success.

Prior to the meeting with Guo Dongpo, the Portuguese President also held talks with the Macao Governor Vasco Rocha Vieira, major Macao government officials, Anabela Ritchie, President of Macao Legislative Assembly, D. Domingos Lam, Bishop of Macao Parish, and Ma Man Kei, President of the Chinese General Chamber of Commerce in Macao.

The Portuguese President also attended a reception hosted by the Chinese General Chamber of Commerce in Macao this morning, when he spoke highly of the Sino-Portuguese friendly relations and good cooperation between the two sides in Macao affairs.

Departs for Beijing

OW1004084395 Beijing XINHUA in English 0650
GMT 10 Apr 95

[FBIS Transcribed Text] Macao, April 10 (XINHUA)—Portuguese President Mario Soares left here this afternoon for an official visit to Beijing at the invitation of Chinese President Jiang Zemin.

During his stay in Macao from April 7 to 10, Soares stressed that his government's policies on Macao are based on two principles: To strictly act in accordance with the regulations and spirit of the Sino-Portuguese Joint declaration and to pay close attention to Macao's development and process, in a bid to guarantee local political and social stability.

While meeting with Guo Dongpo, Director of XINHUA NEWS AGENCY Macao Branch, Soares expressed his concern about Macao's transitional affairs and said that the Portuguese Government would make all-out efforts to guarantee stability in Macao.

Soares also made a sightseeing tour in Macao, during which he visited several large-scale projects including the new Macao-Taipa Bridge and the Macao International Airport site. He praised the fast construction of the airport project and its high quality.

Soares expressed the hope that he would attend the opening ceremony of the operation of the Macao airport, scheduled in November this year.

This is Soares' fourth visit to Macao as president.

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